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PMCs, MYTHS AND MERCENARIES: THE DEBATE ON PRIVATE MILITARY COMPANIES

BY KEVIN A O'BRIEN

Since 1993, there has been a great deal of attention focused on the role of private military companies (PMCs) in the Developing World; part of this was a renewed interest in 'mercenaryism', last seen during the mid-1970s, and part related to the perception of PMCs as a 'new phenomenon' in regional security. Over the course of these six years more has been written in the press and by scholars about this topic than almost any other post-Cold War security issue (leaving aside regional security concerns such as the Balkans). However, little of what has come out in the media has been of substance in terms of its value in contributing to the debate surrounding security in the post-Soviet world. The media-hype surrounding the 'Arms-to-Africa Affair' is but one demonstration of the sensationalism with which this topic has been greeted. This article will discuss the changes that are emerging in both the operations and perceptions of this industry, especially in relation to Western governments, and confront the numerous fallacies, illusions and myths that have emerged over these six years concerning this topic.

While much has changed over these years in how we perceive the role of the private sector in providing military, security, policing and intelligence services to governments and corporations, in the last year three significant events have changed these perceptions yet again. First, the October 1998 decision by the US government to sub-contract its involvement in the Kosovo monitoring force to a US private security company, DynCorp, reflects the changing nature of policies towards intervention and peace support operations. The contracting was done because the US Government does not believe that it would be proper to send its trained military personnel into harms way unarmed, as the monitors are; it also ensured that the US Government did not

have to undergo the political risk associated with sending national armed forces into security situations which are little understood or supported domestically.

A second significant event was the 'termination' of Executive Outcomes (EO) of South Africa. On 2 December 1998, EO announced that, from January 1999, it was terminating its operations.¹ EO, no longer able to operate in a climate conducive to doing business due to on-going negative publicity and national regulation in the form of the 1998 *Regulation of Foreign Military Assistance Act*, terminated its operations; those who previously served with EO, however, continue to operate in Africa and abroad without the same degree of scrutiny previously given to EO's operations. While EO was licenced to provide such services, its individual contracts were placed under extreme scrutiny, a requirement that was too constrictive. One serious condemnation of this legislation was that, under existing 'norms of understanding' in South Africa, the larger players were known and contributed to a degree of self-regulation of the industry; the heavy-handed approach that the South African Government has taken towards confronting these companies now means that the larger players may now leave the country to base themselves elsewhere, or break-off into much more covert companies which the government will not be able to



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keep track of with anywhere near the same ease which they had the larger companies previously. By engaging in dialogue with these private military companies, the government could have successfully co-opted them into legitimate operations. Now, the closure of EO may well signal the end of this effective dialogue and the emergence of much more covert – and therefore much more potentially damaging – firms engaging in entirely unregulated activities outside of South Africa's borders. This is something which should be taken into careful consideration in the UK in discussions surrounding similar regulatory frameworks for UK-based companies.

EO's very existence raised the question of whether a private corporation should be providing security and war-fighting capabilities to governments under siege. It must be said that EO did serve a number of positive purposes. First, it removed from South Africa hundreds of individuals who could easily have disrupted the transition and 1994 election. For this reason, it has long been believed that the ANC gave a quiet nod to EO's initial and continuing operations; this is, similarly, why it is felt that the 'anti-mercenary' legislation passed in South Africa did not seek to ban EO's activities but merely bring them under government control. EO never worked for a client which was against Pretoria's interests; indeed, Pretoria may have 'pushed' EO's contracts along in a number of African countries. EO also brought stability – albeit temporary – to a number of conflicts raging on the African continent; perhaps its more long-lasting contribution in this regard was assisting in the professionalisation of a number of African armed forces, a contribution towards domestic stability which should not be underestimated. Finally, EO and its subsidiaries also provided non-combatant services which contributed towards stability and security: these took the form of mine-clearance, medical and welfare services, infrastructure and repair, and child-combatant repatriation services, to name a few. Thus, while EO's combatant services were the most reported-on (and sensationalised), it did make a marked contribution towards attempts at bringing stability to a number of countries in Africa and elsewhere.

This relates to the third significant event, which was the decision, in the spring of 1998, by the UK government to begin discussing the implementation of such a regulatory framework in the UK. Following closely on the reports into the 'Arms-to-Africa' affair involving the UK Government and the British PMC Sandline

International, the government is aiming, by the autumn of 2000, to produce a policy on the operations of UK-based PMCs. As it is unlikely that the UK Government will move to ban outright the activities of this industry,² this will be the first regulatory framework produced by a Western government and, thus, could provide a strong signal on future attitudes towards this industry.

PMCS AS A 'NEW PHENOMENON'

One of the most common fallacies in discussing the existence of PMCs is that they are a 'new phenomenon'; in fact, nothing could be further from the truth. In the period preceding 1990, the overwhelming majority of PMCs involved in foreign military operations around the world originated in Britain, with the focus of their operations being largely, but not exclusively, in the Middle East, as well as in Africa, Latin America and the Far East. The first of these modern PMCs was established in Britain in the 1960s; its trademark, which would be carried on by other British PMCs throughout the following decades, was that it was formed by members of the British Special Air Service (SAS), including its founder, Colonel Sir David Stirling.

In 1967, Stirling founded WatchGuard International, a company employing former SAS personnel to train the militaries of the sultanates of the Persian Gulf (usually their palace-guards and special forces units), as well as providing support for their operations against rebel movements and internal dissidents; the company rapidly expanded to provide Military Advisory Training Teams to foreign government clients overseas, particularly in the Middle East but also in Africa, Latin America and East Asia. WatchGuard was to become the model for all future PMCs. Out of it developed Kulinda Security Ltd, which engaged in contracts in the 1970s in Kenya, Zambia, Tanzania and Malawi. In 1986, Stirling formed KAS Enterprises with Ian Crooke to conduct anti-poaching operations in Southern Africa with the support of the World Wildlife Federation.

Other companies formed during this period included KMS (believed to mean 'Keenie Meenie Services', SAS slang for covert operations) and its subsidiary Saladin Security. While KMS undertook international contracts, Saladin originally only conducted domestic contracts, although with the demise of KMS in the early-1990s, Saladin continues to operate internationally (citing Sri Lanka and the Middle East as two areas). Other British

firms established security wings to assist in their operations. A good example of this is the British company Lonrho operating in the midst of Mozambique's civil war throughout the 1980s using Gurkhas to protect their assets and operations. By far the biggest of all such companies is Defence Systems Ltd (DSL), founded in 1981 by Alastair Morrison. DSL formalised the transition from British Armed Forces to private sector, in many senses, by ensuring that an internationally-recognised company would be waiting to hire former military personnel into legitimate contracts as security consultants, military trainers, or to support commercial enterprises with assets in regions of conflict. Quickly gaining a reputation for professionalism, integrity and good business, DSL shed any insinuations of 'mercenarism' and was hired throughout the 1980s and into the 1990s by international organisations such as the World Bank, the UN and various humanitarian NGOs.

Thus, PMCs have existed since long before the 1990s. There are a number of key regions in which private security forces have begun to take on a more assertive and active role in what has traditionally been deemed the domain of statutory military forces. The most publicly-apparent is in Africa, where EO was active in low-intensity conflicts since before 1993 and where groups such as MPRI and DSL have begun to emerge recently. Outside of Africa a similar trend has emerged, fuelled partly by the world-wide drop in military forces since the end of Cold War and apartheid from 6 873 000 (1990) to 3 283 000 (1997). In the former Soviet Union (FSU), tens-of-thousands of personnel demobilised from the Soviet Armed Forces and the intelligence apparatus have joined increasingly-active private security firms, involved quite often in very questionable dealings with the various elements of organised crime in the FSU. This is also the case throughout Central Asia and the Pacific Rim, where demobilised combatants from the various guerrilla and low-intensity conflicts have sold their services to a variety of organised crime units involved in arms-trafficking, prostitution, child slavery and the drugs trade. In the US, private security and policing companies

out-spend public policing by 73 per cent (1997) and employ more than two-and-a-half times as many personnel in an industry that, in 1991, was employing 1.5 million personnel and generating US\$52bn in spending; in contrast, public law-enforcement was employing 600 000 personnel and spending US\$30bn.³ Finally, in Latin America, the various drug cartels and families have, since the early-1980s, organised private armies composed of former soldiers, intelligence personnel and mercenaries from throughout the Americas, in order to not only defend their interests against each other

and the various governments, but to take a pro-active role against these same 'opponents' in order to maximise their portion of the narcotics trade as well.

PMCS VERSUS MERCENARIES

The most sensationalist and contentious issue surrounding the question of PMCs is the accusation that they are mercenaries and that these actions exist in a vacuum; neither of these contentions are valid. Privatised policing is seen in most Western societies as an acceptable

capability for a state to have; private and commercial security is seen as equally acceptable. Private military operations should not be seen as being different – and, therefore, not be regulated any differently – to these two predecessors. In addition, when considering private military activities, the activities of private intelligence corporations must also be taken into account; while, in the Western world, these are involved in legitimate activities (such as risk analysis and reporting), in many parts of Eastern Europe, for example, 'private intelligence' refers to former State Security elements who now work closely with organised crime syndicates. Romania is a good example of these 'hard-core' private intelligence firms, where more than 160 private intelligence agencies operate, all run by former state security or military intelligence personnel. In Russia today, more than 9000 'private security enterprises or security services companies' operate, employing more than 120 000 personnel; more than 26 000 private investigation licences were issued between January 1992 and April 1994. The overwhelming majority of these are associated

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with the Russian *mafia*. These differ significantly from the 'soft-core' private intelligence firms and 'information brokerages' in the West, such as Control Risks Group, Oxford Analytica, and the Economist Intelligence Unit.

All of these forces fall into what can be termed Non-Governmental Security Forces (NGSFs); these can be further divided between Non-Governmental Militaries (NGMs) and Private Intelligence/Information Brokers (PI/IBs). There are a number of clear differences between PMCs and their cousins in the NGM sector. PMCs are *not* mercenaries, nor are they the 'new mercenaries' (as often referred to); this could only be the case if mercenarism had disappeared entirely, which it hasn't. These groups of forces can be broken down into four distinct classes.

Mercenaries. Mercenaries are the traditional soldiers, having only been replaced as an accepted combatant at the time of the French Revolution when national ideals were tied inextricably to military service. In modern times, the term 'mercenaries' has become a pejorative one, conjuring up an image of a hardened white soldier brutally intervening in a small, hitherto unknown African country for financial gain, or an 'international brigadier' fighting through the streets of Srebrenica. Mercenaries, in this more traditional sense, continue to be active world-wide increasingly in the 1990s. Examples of modern mercenaries include the 'White Legion' during the 1996-1997 Zaïrian conflict; dispossessed former combatants flooding out of conflicts in the FSU and the Balkans; Ukrainians in Angola and Sierra Leone for both sides; specialist pilots in Zaïre, Congo-Brazzaville, Angola, Sierra Leone, Liberia, Guinea-Bissau; Israeli, British and American former special forces personnel in Mexico, Colombia and the Iron Triangle training security forces of drug cartels; and former *Spetznazsi* and KGB personnel involved with Russian *mafia*.

Private armies/militias and warlords. These groupings of private forces represent the next rung from mercenaries. Although such forces can include mercenaries in organised numbers (such as 5 Commando in the Belgian Congo during its wars of the 1960s), these groupings do not always have a national outlook to their conflict; indeed, these groups can often be transnational, supported by whatever country they can obtain funds and hardware from at any given time, and fight simply for control of a region or resource. Such diverse

entities as transnational terrorist organisations, religiously-motivated combatant groups (such as those supported by the Islamic Brotherhood), and leaders such as John Garang in Sudan all fall into this category. They do, however, fight with more organisation than mercenaries and their efforts are more directed over longer periods of time.

Private (commercial) Security Companies. PSCs first began to emerge on the world stage as long ago as the 16th century, when Italian mercantilism meant rival commerce families hired security elements against each other to control their businesses. This evolved, during the next few centuries, into the security elements of the great colonial exploration companies such as the Dutch *Jan Compagnie* and the British South Africa Company; even the British East India Company and the Dutch East Indies Company retained security elements partly seconded from their own national forces. The PSCs evolved throughout the 1950s and 1960s, mostly in Africa, but in Asia and Latin America as well. The most infamous of these were the operations by Sir Percy Stilltoe, a high-ranking British counter-espionage expert from the Second World War, who was hired in the 1950s by Harry Oppenheimer of DeBeers. Oppenheimer contracted Sir Percy to establish intelligence networks in Sierra Leone and use mercenaries to eliminate diamond-smuggling, forcing all to sell to DeBeers.⁴ In later years, such companies became much more established and provided services ranging from personnel and installation protection to security training and counter-industrial espionage to corporate clients engaged in business in regions of instability or conflict. Examples of these include Group 4, Control Risks Group, LifeGuard Management, Corps of Commissioners, and KMS.

Private Military Companies. PMCs are the ultimate evolution of all of the above. The clear differences in their operations from each of these is that they are organised along corporate lines (including boards of directors, share-holdings, and corporate structures), their work has a clear contractual aim and obligation to their clients, and they engage in military operations – across the spectrum where necessary – something most PSCs will not undertake.

PMC CAPABILITIES

One fact often overlooked is that PMCs are not capable of undertaking any operation; while these

firms can undertake small-unit operations in conflicts in the Developing World, it is unlikely that they would be capable – or called upon – to undertake large-scale (ie. more than battalion-size) operations outside of the Developing World. There are differences even in the composition of the PMC sector. While the strongest companies exist along permanent, corporate lines (such as EO, Sandline, DSL, and MPRI), there are many operating internationally that, while calling themselves ‘private military companies’, are little more than glorified mercenary operations existing only for short periods of time. Examples of these include Stabilco, Secrets, Security Advisory Services Ltd, and Special Projects Services Ltd.

The final difference that must be made between these firms is that of the services which they provide. There are key differences between these firms’ services in terms of dividing them into two groups (the ‘active’ and ‘passive’, as they can be termed): those that provide military services up to and including combat operations, and those who provide training and support only. Thus far, EO and Sandline are the only two firms to openly provide combat capabilities, but many of the other firms mentioned could easily develop this capability should they so chose; this is especially the case for firms such as MPRI and DSL.

PMCs AS THE ‘COVERT WING’ OF WESTERN GOVERNMENTS

Much of the negative attention that has surrounded PMC operations has been a question as to whether PMCs (and PSCs) are the ‘covert wing’ of Western governments’ foreign policies. In many respects, this is the ‘privatisation’ of Western special forces and intelligence capabilities; however, this comparison must not be taken too far. While the US Government is more inclined towards using such firms for clandestine or non-disclosed operations overseas (one US writer observed that the US Government’s use of PMCs represented the ‘covert proxyisation of US foreign policy’), the UK Government has stated clearly that – while it sees a usefulness for such firms in operations relating to protection for its embassies overseas, military support and training services to HM Armed Forces and governments friendly to the UK, and protection to UN and NGO humanitarian intervention missions – it will continue to use, and even increase its use of, UK government agencies and forces for such operations where required.

The reality is that, while special forces and intelligence operations *are* the clandestine or covert wing of foreign policies, PMCs simply fit or fill a foreign policy need; this does not make them the ‘covert wings’ of Western governments – in most cases. There have been suggestions that many Western governments, including the UK, have used PMCs in the place of national assets: just as much as allegations surrounded Sandline’s relationship with the UK intelligence community, the CIA once called the American company Vinnell Corporation ‘our own private mercenary army in Vietnam’. Thus, while PMCs may assist in the furtherance of foreign policy objectives, they are not as closely linked with Western governments as some would have us believe. What remains to be determined, however, is how effective these firms are or could be in replacing national military forces in regional humanitarian and peace support operations.

INTERNATIONAL REGULATION DOES NOT WORK WITHOUT NATIONAL REGULATION

In considering regulatory frameworks for the private military, intelligence and security industry, Western governments need to consider a number of factors. The first is differentiating between ‘mercenaries’ and PMCs/PSCs. This consideration is impacted upon by issues such as the transparency of the industry (keeping commercial considerations in mind) and the need for accountability when operating out of Western countries; the fact that PMCs profess to ‘fill a gap’ left by Western governments unwilling to contribute forces to contemporary peacekeeping operations or to utilise their special forces in a regional role; the fact that PMCs can provide no more than a ‘band-aid’ solution to any problem, never long-term stability and security (this must be provided by the international community); and, finally, the fact that Developing World states continue to have a need for these firms regardless of any vestiges of international condemnation. Over all of these considerations, the difference in activities (mercenaries versus PMCs; commercial security and training versus combat, etc) must be kept in mind when distinguishing roles for the purposes of regulation.

The second factor is whether PMCs are capable of undertaking ‘traditional’ peacekeeping operations in place of national military forces. In many respects, PMCs (and some PSCs) currently undertake missions which are the traditional domain of peacekeeping operations; these include

protection of humanitarian assistance, demining, child-soldier repatriation, paramedical clinics, and other factors. PMCs can continue to provide military assistance (an example of this being DSL's MATTs) in a peacekeeping environment where international peacekeeping forces are not present; these companies could also provide rapid-reaction forces to intervene, on behalf of the UN, OAU, OAS or ASEAN, to halt aggression or stop genocide when Western governments are unable or unwilling to act. Finally, PMCs are also capable of supporting the execution of international arrest warrants, conducting hostage-rescue operations, or serving as counter-narcotics/terrorism forces.

CONCLUSION

The way forward is clear: effective regulation, at both national and international levels, and not prohibition is the key. PMCs will continue to operate, as they always have done, and cannot be banned; mercenaries are another thing entirely. By introducing effective legislation which differentiates between mercenarism and PMC/PSC activity, the industry can be rendered more transparent and gain more legitimacy. The world security services market has a projected annual rate of growth of 8 per cent for 1995 to 2000. Projected total revenues for the security services market world-wide for the year 2000 is expected to grow to US\$61.8m and continue to US\$87.9m by the year 2005. This increased demand for more private security and military business service-related activities is due to growing economic activity in developing countries. Overall, the private security sector generates more than US\$50bn world-wide annually, including arms sales and services; in Asia-Pacific alone, for example, the security services industry represented a \$5.4bn market for private security services in 1995 which represents the third largest in the world behind North America and Western Europe.⁵

These firms cannot, however, be allowed to become supplemental 'covert wings' of Western foreign policy. Effective national regulation, twinned with international regulation, is required to ensure public transparency; the South African initiative to regulate foreign military assistance, while laudable as a starting point, is problematic and has resulted in the lessening (rather than enhancement) of transparency into these activities – the individuals and companies are mobile, as is being demonstrated currently in South Africa. The provision of foreign military assistance is a commodity and

should be treated as such; under such an understanding, arms-control initiatives provide a basis for regulation. The current UK guidelines on arms-control and the EU Code of Conduct on the arms trade provide starting points for examining potential ways forward.

What is the future of these companies? In the short term, PMCs will continue to operate, albeit not on the same scale as EO did throughout the middle of this decade. The US government often pushes for its national companies to obtain contracts; Britain does the same, albeit much more quietly. France uses its intelligence services to facilitate such operations by French firms. In Israel and South Africa, parliamentary and popular international pressure and condemnation has forced the governments to place controls on the provision of such services. There is, however, no fixed lifetime for these companies; as long as conflict persists, so will the PMCs. The international community, as has been witnessed once again in Kosovo, has demonstrated time and again its unwillingness to become involved in regional conflicts where Western foreign policy concerns are not threatened directly; this gap will continue to be filled by the private military company. □

NOTES

1. For details of its operations, covered in great depth elsewhere, see Herbert M. Howe, 'Private security forces and African stability: the case of Executive Outcomes', *Journal of Modern African Studies* 36:2 (1998); Jeremy Harding, 'The Mercenary Business: 'Executive Outcomes'', *Review of African Political Economy* 71 (1997); and Kevin A. O'Brien, 'Military-Advisory Groups and African Security: Privatised Peacekeeping?', *International Peacekeeping* 5:3 (1998).
2. Discussions held with UK officials by the UN Special Rapporteur on Mercenary Activities in January 1999 indicate that regulation is the most likely route, given i) the extreme difficulty in determining criminal activity based on the international definitions of a 'mercenary' and prosecuting a UK national for such, and ii) the fact that the UK government draws a strong distinction between PSCs – which it often uses itself – and PMCs or individual mercenaries who engage in war-fighting.
3. James Brooke, 'Police/Security Partnerships: Privatization Models That Impact Crime', Office of the International Court of Justice (1997).
4. Peter Klerks, 'South African Executive Outcomes or Diamonds Are A Grunt's Best Friend', *Intelligence Newsletter* No. 55, 10 March 1997; Pratap Chatterjee, 'Mercenary Armies and Mineral Wealth', *Covert Action Quarterly* (Fall 1997).
5. 'World Security Services Market', *ASIS Security News and Information*: <http://www.asisonline.org/stat10.html>, downloaded 5/01/99.