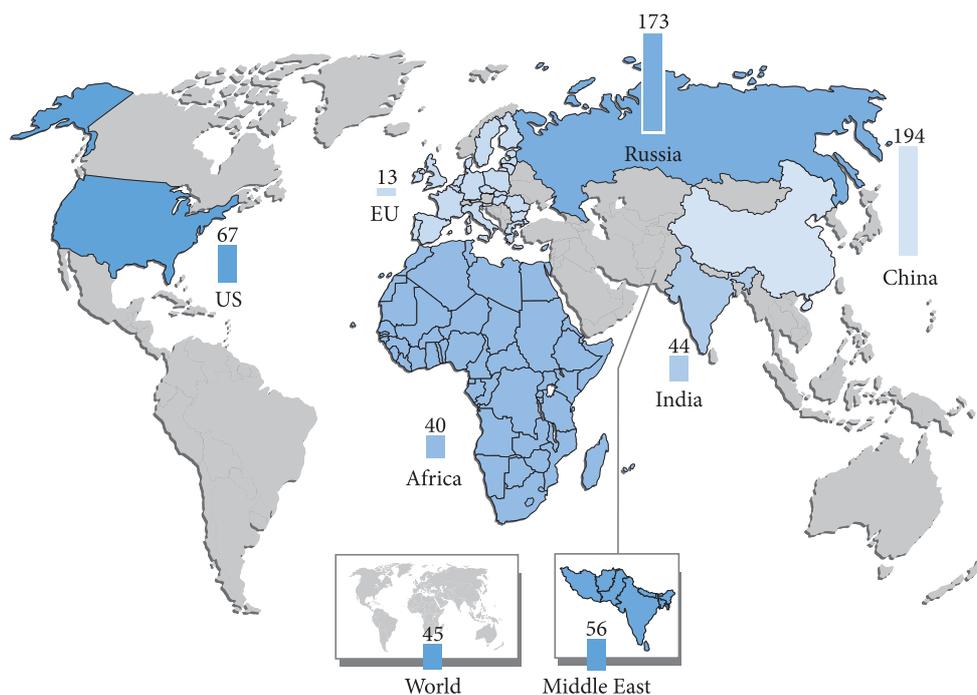


# Military Security between Rearmament, Democratisation and Privatisation

*Herbert Wulf*

A decade of disarmament has been followed by a decade of rearmament, with military spending now substantially higher than at the end of the 1990s. The military ambitions pursued by a number of countries, notably the United States of America during President George W. Bush's time in office, but also Russia's ambitions to re-establish its major power status, and China's and India's quest for a more dominant role, all form the backdrop to this reversal of the disarmament trend. Over the past decade, quantitative rearmament has been accompanied by two inherently contradictory qualitative trends. The first is security sector reform (SSR), a concept which is rooted in the experience of development cooperation and is being implemented in a variety of ways. However, security can only be guaranteed if security sector actors are legitimised by and subject to civilian and – as far as possible – democratic controls. But this conflicts with the second trend – the privatisation of security. A number of governments have pressed ahead with privatisation in the armed forces and have increasingly tasked the private sector with the performance of functions traditionally undertaken by the military, including various combat-related roles. The legal basis for this outsourcing of the state's monopoly of violence is woefully inadequate, both at international and, in most countries, at national level.

**Figure 1: Strong increase in military spending, especially in China and Russia**  
Rise in military expenditure over the past decade (1999 – 2008, in %)



Source: SIPRI 2009b, pp. 180 and 230ff.

## Rearmament and the decline of arms control

### Burgeoning military spending, a stagnating arms trade

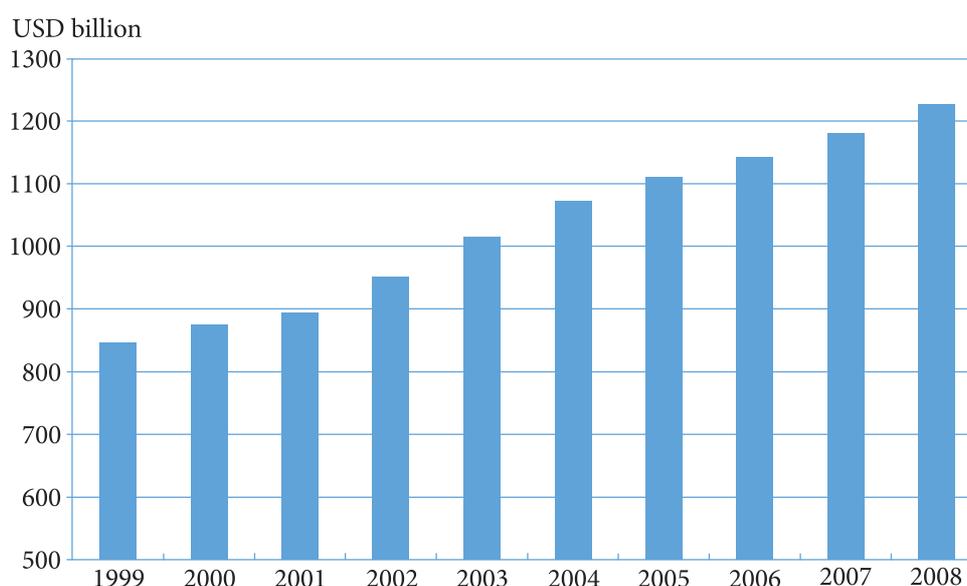
The end of the Cold War ushered in a decade of disarmament, radical cuts in military spending and the demobilisation of some 9 million soldiers. Following the Cold War peak of more than 28 million military personnel, troop numbers fell to below 20 million by 2003 and have remained more or less constant at this level (BICC, various years). At the same time, annual global military spending decreased by 40%, from USD 1.2 trillion at the end of the Cold War to around USD 850 billion in 1999. However, since then, global military expenditure has risen substantially again to USD 1.226 trillion in 2008 (at constant (2005) prices), i.e. just under USD 1.5

trillion at current prices [cf. Figure 2], which means that military spending has now passed its end-of-Cold-War peak. After a decade of disarmament up to 1999, there has been a 45% increase in military spending over the past 10 years, with global military expenditure now amounting to USD 217 per capita per annum.

There are numerous reasons for the renewed military build-up. Armed forces are being deployed in wars and conflicts, and counter-terrorism in particular – classed by George W. Bush's administration as the global "war on terror" – has served as an ideological smokescreen to legitimise increased military spending. However, it is not only the US which has proceeded down the rearmament road. Russia has attempted to underpin its major power aspirations by boosting its military spending, and India and China have also built up their arsenals as a means of cementing their ambitions to play a more dominant

### Figure 2: A decade of rearmament

Growth in military spending 1999 – 2008, worldwide (in USD billion, at constant (2005) prices/exchanges rates)



Source: SIPRI 2009b, p. 180

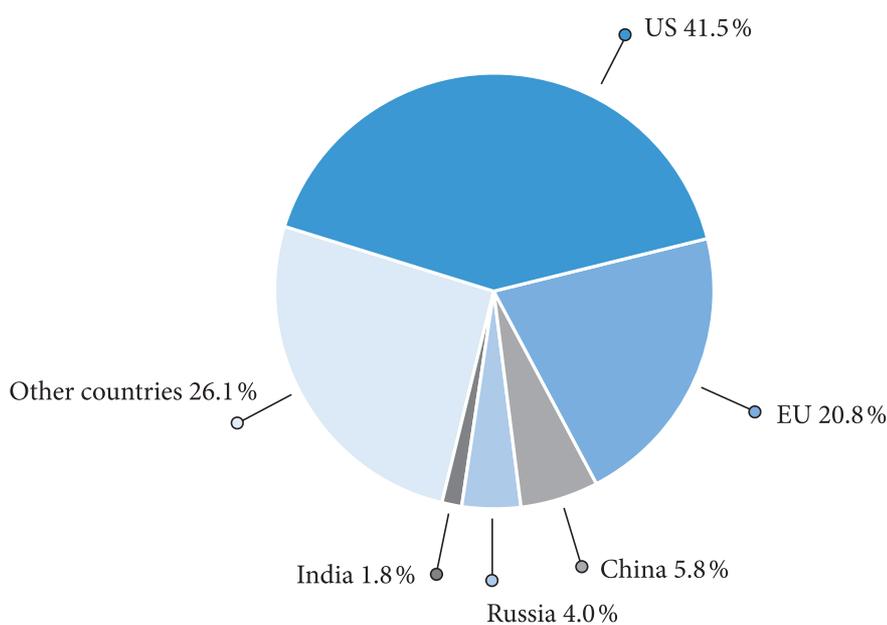
role. Economic factors have also been significant in this growth in military spending, in two respects. Firstly, "classic" economic interests have encouraged an increase in defence spending and the award of defence contracts (keywords here being the defence industry, job creation and regional interests). Secondly, the rapid growth of the world economy under conditions of globalisation has generated more funding for the armed forces. Yet despite the dramatic surge in military spending overall, its share of global gross domestic product (GDP) has not increased over the past decade, standing at 2.4% of global GDP in 2008 – for while global military spending rose by 45% from 1999 to 2008, there was even stronger global GDP growth (almost 50%) over the same period.

Military spending has increased considerably in almost all regions of the world (with the exception of Western Europe) over the past decade: by 40% in Africa, 52% in

South America, 66% in North America, 52% in Asia and 56% in the Middle East (SIPRI 2009b, p. 180). The United States continues to dominate global military spending, accounting for more than 40% [cf. Figure 3].

In contrast to military spending, the arms trade has not experienced growth over the past decade; instead, according to the trend indicator of the Stockholm International Peace Research Institute (SIPRI), it fluctuated between USD 16 billion (min.) and USD 26 billion (max.) per annum – a much lower level than in the previous decade. However, an increase can be observed for the period 2002-2007 [cf. Figure 4]. One reason for this contradictory trend is that the growth in military spending has mainly occurred in countries with a domestic arms industry; as a consequence, these countries are less, or are not, reliant on arms imports. Some of the former major importers (e.g. Japan, Taiwan, Turkey and Saudi Arabia) have also scaled down

**Figure 3: The major military powers**  
Share of global military spending 2008 (in %)



Source: SIPRI 2009b, pp. 182 and 230ff.

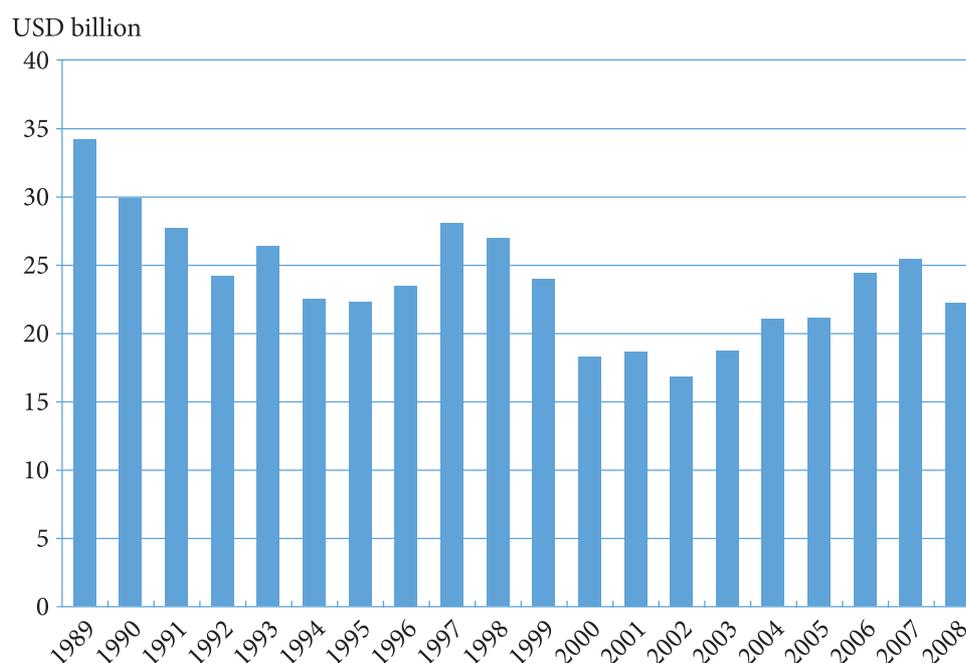
their arms imports for security policy or financial reasons. The top suppliers in the last five years – as in the previous decade – were the US (accounting for 31% of global arms exports), Russia (25%), Germany (10%), France (9%) and the United Kingdom (4%). The main recipients were China (12%), India (8%), the United Arab Emirates (7%), Greece (6%) and South Korea (5%).

### Arms control in crisis, hopes of improvement

Three events have strongly impacted arms control and the goal of non-proliferation of nuclear weapons over the past two decades (Wulf 2009). The most significant, indeed historic, event was the end of the Cold War and bloc confrontation between East and West. The change in the general global polit-

ical climate after the end of the Cold War radically transformed the arms control agenda as well, with humanitarian concerns initially becoming the main focus of a number of multilateral agreements (Anthony 2006, p. 589f.). The indiscriminate effects of certain weapons and their catastrophic impacts on civilian populations were widely criticised and emerged as a driving force behind arms control efforts, with the strategic balance between the two former blocs now playing a completely subordinate role. These humanitarian concerns were undoubtedly a key factor in the adoption of the Chemical Weapons Convention (CWC), which had been under negotiation since the 1960s but was not concluded until 1993, entering into force in 1997. The same applies to the Treaty banning anti-personnel mines (APM Convention), which was concluded in 1997 and entered into force in 1999; here too, humanitarian issues and the

**Figure 4: A fluctuating arms trade (1989 – 2008)**



Source: SIPRI 2009a

declining military usefulness of these weapons were crucial to the conclusion of the Treaty. Both the CWC and the APM Convention aim to achieve a total ban on the

weapons within their scope of application (chemical weapons and anti-personnel mines respectively).

**Table 1: Selected arms control agreements**

Treaty	Entry into force	Purpose	Comments
Nuclear Non-Proliferation Treaty (NPT)	1970	To prohibit the proliferation of nuclear weapons	India, Israel and Pakistan are not members; North Korea withdrew from the NPT
Biological and Toxin Weapons Convention (BTWC)	1975	To prohibit the development, production and stockpiling of these weapons	
Anti-Ballistic Missile Treaty (ABM)	1972	Limits the development and deployment of ABM systems by Russia and the US	The US withdrew from the Treaty on 13 June 2002
Inhumane Weapons Convention (IWC)	1983	"Umbrella treaty" to prohibit in humane weapons	
Intermediate-Range Nuclear Forces Treaty (INF)	1988	The US and Russia pledged to eliminate these missiles	2692 missiles were destroyed
Treaty on Conventional Armed Forces in Europe (CFE)	1992	Reduction of conventional weapons systems in Europe	Amendment of the Treaty after the dissolution of the Warsaw Pact; Russia announced the suspension of the Treaty in 2007
Strategic Arms Reduction Treaties: START I START II	1994	Reduction and limitation of strategic arms by the US and Russia	START II never entered into force
Treaty on Open Skies	2002	Aerial observation from Vancouver to Vladivostok	Signed in 1992, ratified in 2002
Chemical Weapons Convention (CWC)	1997	To prohibit the use, development, production, acquisition and transfer of chemical weapons	
Comprehensive Nuclear-Test-Ban Treaty (CTBT)	Did not enter into force	A ban on nuclear testing	Key countries – including China, India, Iran, Israel and the US – have refused to ratify the CTBT
Anti-Personnel Mine Treaty	1999	A ban on anti-personnel mines	Key countries – including China, India, Iran, Israel the US – have not acceded to the Treaty
Treaty on Strategic Offensive Reductions (SORT) (also known as the Moscow Treaty)	2003	The US and Russia to limit their nuclear arsenals to 1700-2000 warheads	Voluntary, no verification provisions; warheads in storage are not counted

Source: Author's own diagram

During this phase, arms control agreements also created greater transparency about the various parties' military capabilities [cf. Table 1]; for example, the Treaty on Open Skies, signed in 1992 and in force since 2002, provides for a regime of unarmed aerial observation flights over the entire territory of its participants, the 1992 Treaty on Conventional Armed Forces in Europe (CFE Treaty) initiated an unprecedented verification regime of on-site inspections and surveillance flights, and the United Nations Transparency in Armaments resolution of 1991 resulted in the establishment of a register to include data on international arms transfers. A further issue on the new arms control agenda, which was absent from traditional arms control regimes, is technical and financial assistance and cooperation on the implementation of disarmament measures. The best-known initiative here is the Cooperative Threat Reduction (CTR) Program, which is based on a 1992 US law known as Nunn-Lugar. It provides funding and expertise for a number of countries, including Russia, Ukraine, Georgia, Azerbaijan, Uzbekistan and Kazakhstan, to decommission weapons of mass destruction (WMD) stockpiles (DTRA 2009).

A second major turning point in arms control policy, however, was President Bush's challenging of the fundamental principle of bilateral and multilateral negotiations after taking office in 2001. Rather than backing universal treaties with binding force under international law, the Bush Administration invested its energies in maintaining restrictive export controls to prevent the transfer of technologies, chiefly those associated with WMD programmes. With non-proliferation under threat from a number of countries' nuclear programmes and multilateral arms control negotiations achieving little progress, the US Administration opted to embark on

this radical new course. However, a further factor of relevance in this context is that the US itself was unwilling to fulfil its commitments under the Nuclear Non-Proliferation Treaty (NPT) or pursue a policy of restraint by signing up to international agreements such as the Comprehensive Nuclear-Test-Ban Treaty (CTBT) or restricting the weaponisation of space. Instead, the US chose to prioritise its own initiatives and arms control measures in a move away from multilateralism.

The increase in international terrorism must be viewed as the third key trend of relevance to arms control. The worry that terrorists could acquire weapons of mass destruction triggered a general debate about new challenges in security policy and arms control and supplied the rationale for the US to challenge the fundamental concept of multilateral arms control. After the events of 9/11 in particular, the US shifted the focus away from the traditional type of arms control treaty and, instead, pursued various initiatives (ranging from UN resolutions to more stringent export controls and even pressure on third countries) that aimed to deny non-state actors access to the technology associated with the development and manufacture of WMDs. In the National Security Strategy of the United States of America of September 2002, the US Government also justified its policy of acting pre-emptively if necessary against countries which it classed as "rogue states" and against terrorists.

Apparent justification for this paradigm shift was provided by the continued lack of progress in arms control and by the threat of terrorism. The US Government also justified its withdrawal from the ABM Treaty – in which the US and Russia had pledged not to deploy anti-ballistic missile systems – on the grounds that it hindered the US Government's ability to develop ways to pro-

protect the American people from future terrorist attacks. However, with potential proliferation of nuclear weapons still an ongoing concern (examples being Iran and North Korea), it is apparent that the Bush Administration's policies were ultimately unsuccessful [cf. Table 2]. At the same time, the nuclear agreement between the US and India demonstrates that in reality, the Bush Administration was not always concerned about the possible proliferation of nuclear technology: this deal is tantamount to de facto recognition of India's nuclear weapons status. The US Government also tended to hold back from voicing criticism of Pakistan's nuclear programme, in order to avoid alienating this key ally in the

"war on terror". An indirect method of implementing and verifying arms control treaties has recently gained ground. The 1997 Anti-Personnel Mine Treaty is a good example. The Treaty itself makes no provision for a verification mechanism. There is no agency responsible for ensuring compliance with and enforcing this Treaty. The development and adoption of the Treaty were significantly influenced by the initiatives of numerous non-governmental organisations (NGOs) which joined together to form a network, the International Campaign to Ban Land Mines (ICBL), that now includes more than 1400 NGOs in 90 countries (ICBL 2009).

**Table 2: World nuclear forces (nuclear warheads)**

Country	Strategic warheads	Non-strategic warheads	Total number of warheads
United States	2202	500	2702*
Russia	2787	2047	4834*
France	300		300
China	186		186
United Kingdom	160		160
Israel			80
India			60-70
Pakistan			60
North Korea	?	?	?

Source: SIPRI 2009b, p. 346; all figures are approximate (North Korea is not included in the SIPRI table)

\* Does not include nuclear warheads in storage

Through their involvement in the ICBL, these organisations are generating such a high level of transparency about mines still in existence and their continued production and use that non-Treaty-compliant conduct becomes a matter of public knowledge, the aim being to bring public pressure to bear in order to enhance compliance with the Treaty.

There are parallels with measures to control small arms and light weapons (SALW) as well. NGOs were the driving force here too; however, the cooperation between government representatives and NGOs resulted in ownership of the SALW process being successfully embedded at the United Nations with the adoption of the Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All Its Aspects in 2001 (Small Arms Survey 2008). This programme envisages a number of measures (including stricter export controls, safe storage by public agencies, and programmes for the destruction of weapons) that aim to prevent the misuse of these weapons.

A reversion to an arms control policy based on multilateral treaties now seems to be a more likely prospect since President Obama took office in the US. The new US Government began exploratory talks soon after taking office, as it announced it would do.

### Democratisation or privatisation of security?

At present, two intrinsically contradictory concepts – democratically-oriented reform of the security sector, on the one hand, and the privatisation of traditionally military functions, on the other – are key determinants of

the way in which the state's monopoly of violence is likely to be exercised in future. Security sector reform in countries with inadequate or weak institutions of governance is intended to boost the efficiency of the security sector and subject it to civilian and, as far as possible, democratic control. However, the privatisation of many functions of the armed forces (especially in the US and the United Kingdom) has been pursued as part of a wider process of deregulation and outsourcing of government functions. Security sector reform is about strengthening the state's monopoly of violence; privatisation, by contrast, partly outsources this monopoly to private actors.

### Security sector reform (SSR)

Security sector reform (SSR) has become a key field of international development cooperation over the past decade (World Bank 2003). The aim of SSR is to transform a country's security sector so that the relevant actors (armed forces, police and judiciary) can perform one of the state's core functions, namely safeguarding the security of citizens, more efficiently and with enhanced democratic control [cf. Table 3], thereby ensuring that the security sector conforms with the principles of democratic control and good governance. Champions of such reform – chiefly the international donor community – view SSR as essential on the grounds that a poorly organised, poorly functioning security apparatus is a major impediment to peace, stability, poverty reduction and sustainable development, rule-of-law principles and respect for human rights. Or, framed in positive terms, the underlying hypothesis is that security forces which are governed by the principles of democratic accountability and the rule of law reduce the risk of violent conflict and ensure

**Table 3: Selected examples of security sector reform currently in progress**

Country	Programme	Donor
Afghanistan	Police capacity building	EU
Albania	Demobilisation and reintegration	Geneva Centre for the Democratic Control of Armed Forces (DCAF), Switzerland
Burundi	Training for implementation of security sector reform	UN, Netherlands
Bosnia and Herzegovina	Demobilisation and reintegration	DCAF, Switzerland
Congo (Democratic Republic)	Demilitarisation and training for the armed forces	United Kingdom
Indonesia	Judicial reform	Several EU countries
Liberia	Police capacity building	UN
Nigeria	Enhancing the professionalism of the armed forces	United Kingdom
Solomon Islands	Stabilisation programme	Pacific Island Forum, Australia and New Zealand
Sudan	Development of an institute for disarmament, demobilisation and reintegration	UN
Southern Sudan	Small arms control	Germany

Source: Author's own diagram

the security of citizens, thus establishing an enabling environment for sustainable development. In sum, security and development are interlinked; one is impossible without the other (Law 2008). A key element of the reform process is to create a professional security sector on an appropriate scale with a precisely defined mandate and under democratic control. A security sector that is structured in this way can make a contribution to national development (Wulf 2004). The Organisation for Economic Co-operation and Development (OECD) has defined the following objectives for SSR:

- (1) establishment of effective governance, oversight and accountability in the security system,
- (2) improved delivery of security and justice services,
- (3) development of local leadership and ownership of the reform process, and
- (4) sustainability of justice and security service delivery (OECD/DAC 2007, p. 21).

While there is a general willingness to promote and fund security sector reform, there is controversy about which methods are appropriate to implement these reforms. Among

donor and partner countries alike, some governments are more receptive to the concept of reform than others. The restraint shown by a number of governments is largely due to political sensitivities: for many countries, involvement in reform of the armed forces and intelligence services is a problematical issue. Traditionally, development organisations, too, have shied away from cooperation with the military – an understandable position in view of the tarnished track record of the military in numerous countries. However, advocates of SSR emphasise that reform of the military is vital if the goal of sustainable development with guaranteed security for citizens is to have any prospect of success.

In the international debate and SSR practice, there is a narrower and a broader definition of the scope of security sector reform. The judiciary, for example, is not always included in reform efforts. In some cases, the reform strategy is very broad in scope and also includes demobilisation and reintegration of ex-combatants, small arms control and mine clearance. Both the OECD Development Assistance Committee (DAC) and the British Government, for example, pursue this type of comprehensive approach. Germany's Federal Ministry for Economic Cooperation and Development (BMZ), by contrast, confines itself to police and judicial cooperation and is restrained in its attitude towards armed forces reform.

The implementation of SSR programmes has acquired fresh momentum as a result of the human security debate. The broadening of the concept of security – which has shifted from its original focus on primarily military-based security to embrace human security – together with renewed interest in the security sector from a development policy perspective, has resulted in the securitisation

of development. Non-military conflict factors such as hunger, poverty, environmental degradation and AIDS are classed as non-military threats to security. The application of this broader concept is intended to facilitate the mobilisation of resources for these various development tasks. The UN High-level Panel on Threats, Challenges and Change established by former United Nations Secretary-General Kofi Annan linked in with this approach. Although critics of this wider concept of security fear that it will benefit the military more than civilian approaches to conflict management and encourage the expansion of the armed forces' mandate to include secondary functions, such as protecting the environment, as well (Brock 2005), this should not be a reason for development cooperation to refrain from engaging in this arena. In fact, SSR should facilitate a clear division of roles for security actors. Security sector reform targets the political level (civilian control of security sector actors), the economic level (resource consumption by security forces), the societal level (ensuring the security of citizens) and the institutional level (enhancing the professionalism of the security sector, institutional separation between the various actors) [cf. Table 4]. Each of these levels has different requirements and offers different starting points for reform. However, the first three of these levels are of greater relevance for development cooperation than internal reforms within the security forces themselves or the allocation of roles between them.

It is clear that there are no patent remedies that can be applied to every country and scenario. In developing countries, post-authoritarian countries, post-conflict countries and countries with high levels of crime, the needs and objectives of security sector reform vary widely in each case [cf. Table 5].

**Table 4: Levels of security sector reform**

Level	Goal	Type of reform effort
<b>Political level</b>	Democratic civilian control	<ul style="list-style-type: none"> <li>→ Support for governance and administration</li> <li>→ Capacity building for civil society</li> <li>→ Enforcement of good governance and human rights</li> <li>→ Rule of law</li> </ul>
<b>Economy and development</b>	Appropriate allocation of resources	<ul style="list-style-type: none"> <li>→ Reconstruction of infrastructure, ensuring provision of public services</li> <li>→ Development and education</li> <li>→ Disarmament</li> </ul>
<b>Society</b>	Ensuring the security of citizens	<ul style="list-style-type: none"> <li>→ Repatriation of refugees</li> <li>→ Demobilisation and reintegration of ex-combatants</li> <li>→ Community policing</li> </ul>
<b>Institutional level</b>	Enhancing the professionalism of security sector actors	<ul style="list-style-type: none"> <li>→ Training and capacity building for state security sector actors</li> </ul>

Source: Author's own diagram

**Table 5: The context of security sector reform\***

	<b>Development/ Governance</b>	<b>Post-authoritarian countries</b>	<b>Post-conflict countries</b>	<b>Countries with high levels of crime</b>
<b>Primary problem</b>	Development and governance deficit	Democratic deficit	Security (and democratic) deficit	Security and law and order deficit
<b>Purpose of reform</b>	Development and good governance	Democratisation	Peace, institutional capacity building, nation-building	Law and order, prosecution of crime
<b>Specific problems affecting the security sector</b>	<ul style="list-style-type: none"> <li>→ Excessive military expenditure</li> <li>→ Poor management</li> <li>→ Wastage of scarce resources</li> <li>→ Ineffective security services</li> </ul>	<ul style="list-style-type: none"> <li>→ Legacy of human rights violations</li> <li>→ Over-sized military complex</li> <li>→ Over-sized police apparatus</li> <li>→ Continued existence of inquisitorial domestic intelligence services</li> <li>→ Lack of civilian control</li> <li>→ Strong state, weak civil society</li> </ul>	<ul style="list-style-type: none"> <li>→ Legacy of violence</li> <li>→ Weak or non-existent statehood</li> <li>→ Weak civil society</li> <li>→ Refugees</li> <li>→ Privatisation of security</li> <li>→ Non-integration of ex-combatants</li> <li>→ Lack of civilian control</li> </ul>	<ul style="list-style-type: none"> <li>→ High crime rate</li> <li>→ Organised crime</li> <li>→ Lack of legal certainty</li> <li>→ Privatisation of security</li> </ul>

Source: Author's own diagram

\* In reality, there is less of a clear distinction between the four types of society mentioned above.

### **The threat to the state's monopoly of violence due to the privatisation of violence**

More and more often, wars and violent conflicts are being prosecuted by armed non-state actors: warlords, organised crime, militias, rebels and even youth gangs and child soldiers. This process has been classified as bottom-up privatisation in which armed non-state actors spread violence, create insecurity, and contribute to the failure of states, with many governments no longer capable of guaranteeing law and order due to the weakness of their police and armed forces. In parallel to this bottom-up privatisation, a second form of "top-down" privatisation is taking place: planned and driven by governments, it entails the outsourcing of police and military functions to private companies (Singer 2003; Wulf 2005; Avant 2005; Alexandra et al. 2008).

#### *Bottom-up privatisation: the use of force by non-state actors*

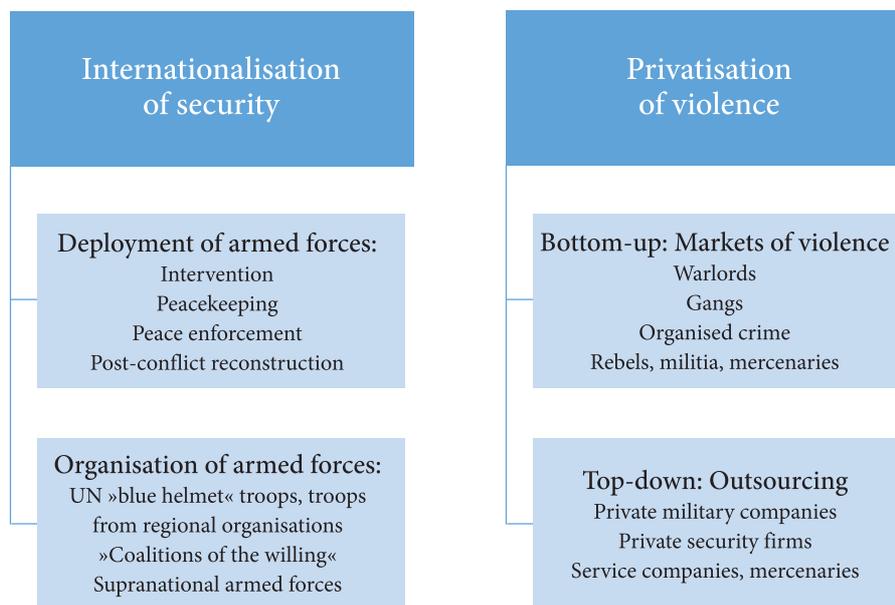
Numerous non-state actors are involved in bottom-up privatisation of violence, either to defend themselves from attack, to topple a government or simply to enrich themselves. These groups – epitomised by warlords – contribute to state failure in many countries. Failing or – in many countries – non-existent states lack the means to ensure the state monopoly of legitimate force. State failure and inefficient and corrupt government institutions, primarily the military, police and judiciary, lead to burgeoning crime and instability. It becomes increasingly difficult – and in critical cases impossible – to maintain law and order, creating markets of violence and lawless spaces. In this situation, more and more people turn to privately organised pro-

tection as a solution (Elwert 1999; Eppler 2002; Lock 2004).

These new developments are closely linked with the general trend towards globalisation of almost all areas of society. In many countries, integration into the world market has caused major disruptions which often lead to violent intrasocietal conflict, triggering both a civilian and a military response. The deregulated world market has also facilitated the transboundary import and export of violence – with regional spill-over and spill-in effects. Often, neighbouring countries are affected by wars, especially by the influx of refugees. However, external factors also play a role in warfare: these include the financing of wars by external actors, the availability of safe havens in other countries for warring factions, the provision of military assistance in the form of personnel, and arms deliveries. These are key "ingredients" in today's wars, most of which are intrasocietal. With the flames of conflict being fuelled from outside, resulting in network wars, it is clear that not only non-governmental organisations but also warlords think globally and act locally.

#### *Top-down privatisation: the deregulation of warfare*

In parallel to the bottom-up privatisation of violence, there is also a tendency for governments to delegate the state's monopoly of violence to private actors. Various governments – especially in the US and the United Kingdom – have pursued a targeted policy of privatising traditionally military functions. In line with the concept of the "lean state", which involves the deregulation of many sectors and the restriction of the state's role to "core competences", the wave of privatisation and outsourcing has not stopped at the gates of military bases [cf. Figure 5].

**Figure 5: Internationalisation of security and privatisation of violence**

Source: Wulf 2005, p. 16 (revised version)

Over the past decade, many armed forces – especially in the United States – have found it increasingly difficult to recruit enough qualified personnel for their combat and post-conflict operations. They have consequently come to depend more and more on private military companies for training, repair and maintenance of weapons systems and other military equipment, for the collection of intelligence information, for interrogation of prisoners of war, and for supplying food and clean uniforms to troops in the operational theatre. Hundreds of private military/security companies have sprung up like mushrooms, keen to cash in on this opportunity, not only in the US but particularly in Iraq and Afghanistan. Many employees of the numerous private companies in Iraq, for example, are armed and are prepared to use their weapons, and are often involved in shooting incidents or other scandals. By spring 2007, the total number of contractors – in other words, civilians working for private security

companies – killed in Iraq was at least 917, along with more than 12,000 wounded in battle or injured on the job (Broder/Risen 2007).

Contractors are hired to provide support during pre-war preparation, in war, and in post-war programmes. They recruit battle-hardened ex-soldiers from around the world, and purchase or hire weapons and other equipment, generally with the appropriate government licences. Private military companies (PMCs) are increasingly taking over many of the functions that have traditionally been performed by soldiers. According to estimates, private contractors' employees now outnumber the 160,000 American combat troops in Iraq. In 2007, contractors working on behalf of the US Department of Defense and the US Department of State in Iraq were thought to be employing at least 180,000 people in the country, many of them armed (Krüger 2007). The United States General Accounting Office cites a much lower figure for 2006; data from its survey of

<b>Table 6: Private military companies and their activities</b>			
<b>Type of activity</b>	<b>Legal basis</b>	<b>Main users</b>	<b>Main areas of activity</b>
<i>Consulting/Planning</i>			
Threat analysis, strategy development, advice for armed forces	Regulated, occasionally illegal	Official planning authorities, armed forces	Global
<i>Logistics and Support</i>			
Logistics in emergencies and war	Regulated	Defence ministries, humanitarian organisations	Many countries
Mine clearing, infrastructure demobilisation, reintegration of soldiers	Regulated	Humanitarian organisations, UN agencies, governments	Post-conflict areas
Establishment and operation of refugee camps, reintegration	Regulated	Humanitarian organisations, UN, governments	Crisis and conflict regions, post-conflict areas
<i>Technical Services, Maintenance and Repairs</i>			
Technical services, air control, intelligence gathering, IT services	Licensed by governments	Armed forces	Many countries
Weapon repair	Licensed by governments	Armed forces	Many countries
<i>Training</i>			
Military training, weapons and special forces training, language training and psychological warfare etc.	Licensed by governments, occasionally illegal	Armed forces, rebels groups and insurgents	Industrialised and developing countries, conflict areas
<i>Peacekeeping and Humanitarian Assistance</i>			
Logistics for peacekeeping	Regulated	UN and regional organisations	In crises, conflict and post-conflict areas
Disarmament, mine clearing, weapon collection and destruction	UN mandate	UN and regional organisations	In crises, conflict and post-conflict areas
Logistics in complex emergencies	Legal, unregulated	UN agencies, humanitarian organisations	In complex emergencies, refugee camps, conflict and post-conflict areas
Protection of camps, convoys, refugees and humanitarians	Legal, unregulated	UN agencies, humanitarian organisations	In complex emergencies, refugee camps, conflict and post-conflict areas
<i>Combat Forces</i>			
Combat	Mainly illegal, occasionally government-requested	Besieged governments, rebel groups and insurgents, multinational companies	Conflict and crisis countries

Source: Wulf 2005, p. 57f. (revised version)

contractors who provide support to deployed forces revealed that employees were hired from 18 different nations, including the United Kingdom, Russia, South Africa, Egypt, Bangladesh, India, the Philippines, and Nepal (United States General Accounting Office 2006, p. 2). In reality, though, the exact number of employees working for private military companies is unknown.

#### *Reasons for the privatisation boom*

Iraq is an extreme example, but is by no means unique. Whether it is engagement in the anti-drug campaign in Colombia, the civil war in the West African country of Sierra Leone, in the conflict zone in the Great Lakes region of Central Africa, or in the Balkans – the "specialists" are always involved. The activities undertaken by the private contractors range from guarding individuals and buildings to providing military assistance for foreign militaries, logistical services, manag-

ing military installations, providing transport services for UN organisations and involvement in combat missions, and include technically complex roles, as well as more dubious tasks such as defending the privileges of corrupt elites [cf. Table 6].

As private military/security companies are not part of a clearly demarcated industry and there is no standard classification of companies operating in this sector, no firm statements can be made about their growth over the past decade. However, empirical evidence (such as companies' Internet presence, media reports, and the debate within the military) points to rapid and substantial growth. A key factor driving this industry growth is that some armed forces are over-burdened by the increasing number of military interventions abroad, but a great many other military, economic, political, and ideological reasons for the commercialisation or privatisation of the state's monopoly of violence can also be identified.

#### **Reasons for the boom in private military firms**

- Scope to recruit qualified military personnel demobilised by many armed forces after the end of the Cold War,
- Cutbacks in the military, resulting in job-shedding and bottlenecks in the armed forces,
- The changed nature of warfare and the deployment of high-tech weapons which armed forces do not have the technical skills to use and maintain without support,
- Demand from especially weak or besieged governments wishing to protect themselves by hiring private armies,
- Increased demand for the deployment of the armed forces in humanitarian operations, which pushes up demand for private actors as well,
- Intensified demand in the "war on terror" which has increased the demands on the armed forces and encouraged the use of specialists from private firms,
- Public opinion on the deployment of the armed forces may prompt some governments to task military firms rather than deploy "our boys" (and girls) in the armed forces,
- In normative terms, a general trend toward a "lean state" entails outsourcing and privatisation of as many government functions as possible – including military functions.

Many state functions – civilian as well as military – are being outsourced as part of the quest for market solutions which are more cost-effective. The neoliberal concept of the "lean state" has asserted itself, prompting very little criticism. Privatisation and deregulation became an obsession – at least until the start of the financial crisis in 2008. Now, however, the pendulum is swinging back, with renewed calls for the state to take a greater role. Nonetheless, the use of private military firms is still viewed by some governments and international organisations as an effective and market-compatible mechanism to meet their requirement for military services.

The main arguments advanced in support of privatisation are the supposed cost savings for the public purse and the supposedly high quality of the services provided by the civilian sector. In most cases, however, the potential cost savings achieved by outsourcing to private companies are exaggerated. Even from a purely business management perspective, the privatisation of the military in the US has been implemented in such a flawed manner that the outcome is by no means as positive as the former Administration would have us believe (Markusen 2003, p. 480ff.). The United States General Accounting Office talks about a "lack of sound business practices" (United States General Accounting Office 2007, p. 1).

*Outsourcing of the state's monopoly of violence, and the need for regulation of private actors*

From a governance perspective, this trend is highly problematical. The key to the modern "Westphalian" nation-state is the monopoly of legitimate, organised force. As one of its core functions, the modern state has a duty to

ensure the security of its citizens based on the rule of law; indeed, this is regarded as one of the main achievements of a civilised society. The privatisation of military functions, described above, raises fundamental issues about the future of the state's monopoly of violence. The clear trend towards "outsourcing" entails the delegation of the state's monopoly of violence without adequate regulation of the private actors entrusted with these tasks. The fact is that neither the national laws currently on the statute books nor the law of war provide an adequate legal basis on which to exercise oversight of private military firms and their employees, or call them to account for violations. Soldiers are subject to military jurisdiction, and international treaties such as the 1949 Geneva Convention and its 1977 additional protocols can also be applied to the armed forces (even though the Bush Administration ignored this Convention), but these rules do not apply to private military contractors. The 1989 International Convention against the Recruitment, Use, Financing and Training of Mercenaries – not yet in force pending sufficient ratifications – would also not apply to PMCs as it stands.

Many of the private military firms' activities have political endorsement and are authorised by government authorities – but this does not necessarily mean that they are legal. Very few countries have adopted legislation as a basis for the licensing or prohibition of private military firms. South Africa is one of the few exceptions: its Foreign Military Assistance Act came into force in 1998. Under this Act, no South African may, within the Republic of South Africa or elsewhere, recruit, use or train persons for or finance or engage in mercenary activity. This legislation was prompted by the activities of Executive Outcomes, originally a South African company, in various African wars. After

the legislation was passed, the company left South Africa but is still operating under a different name.

Regulations are urgently needed in order to maintain the public monopoly of violence. At present, the private military and security companies exercise military or police powers, but are generally not accountable or subject to public oversight or legislation. The law of the market prevails. In principle, companies can offer their services to anyone willing to pay for them. Existing international norms only apply to private military and security companies if these firms violate the right of self-determination of peoples enshrined in the United Nations Charter (i.e. if they interfere in a state's internal affairs) or if they participate directly in combat operations.

Various options are available for controlling the burgeoning and unregulated activities of private military companies, including a total ban, reliance on self-regulation by the companies themselves, or international and national regulations (Schreier/Caparini 2005). A total ban would constitute the most direct form of control. However, it would be difficult to enforce this ban on an extraterritorial basis through national legislation. Companies could simply relocate to another part of the world, which is exactly what Executive Outcomes in South Africa did. It is also difficult to arrive at a clear definition of who, or what, should fall within the scope of the ban. The fact is that some companies provide very valuable services, such as logistics during emergencies. A universal ban would apply to these services as well.

Relying exclusively on self-regulation by companies – as proposed by the International Peace Operations Association, an industry association for private military and security companies, for example – is tan-

amount to ignoring or failing to respond to the problem. This approach is completely inadequate, as companies would not feel obliged to abide by an industry code of conduct and persistent offenders would simply ignore the code. Initiatives by industry associations and companies are welcome, but are certainly not an adequate solution, as they cannot address the problematical cases on the borderline between legality and illegality or curb the worst excesses and bring perpetrators to justice. There are, however, various – sometimes complementary – options for the regulation of private military companies [cf. Table 7]:

*Further development of the 1949 Geneva Convention and its 1977 Additional Protocols:* As contractors often also operate on the battlefield, the Geneva Convention and its Additional Protocols should be revised so that they go further than the rules on mercenaries. There is a concern, however, that if the Convention is amended so that it covers employees of private military companies, the outcome would be vague definitions and poor compromises, as with the Mercenaries Convention. This would give governments a great deal of leeway and barely impact on their use of private violent actors.

*Introduction of a licensing regime:* One option is for national governments to grant general licences to companies, entitling them – and them alone – to provide military services. Alternatively, licences could be issued for the provision of very specific services, with other activities being excluded. There are clear parallels between these licensing options and arms transfers, and the experience gained in this latter field should be utilised when licensing private military companies. Experience with arms exports in par-

ticular shows just how often the flames of international and domestic conflicts are fanned by arms consignments from abroad. Certain activities must therefore be declared off-limits for private companies; this applies above all to deployment in combat operations.

*Compulsory registration:* Companies would have to register their operations and inform their home government and the government of the countries of deployment about their activities. The advantage of this system is that it is easy to manage; a disadvantage, however, is that governments would have to take action to ban specific services. This in turn requires not only political will but also an appropriate legal framework.

*International registration, transparency and verification:* Companies and the contractor/client countries would be required to register their contracts, with relevant details of the services being provided and the scale of their contribution, in a central international register. This universal format is a sub-form of the compulsory registration described above. Registration would take place after the fact, however, and the verification options would be confined to a comparison of the data provided by the various agencies (companies, contractor/client countries). Here too, problematical cases would be unlikely to be registered.

*Blacklists:* The formulation of "blacklists" under the auspices of the United Nations or other international organisations could be an effective tool by "naming and shaming" the "black sheep" in the industry, at least, and, through their sanctioning power, driving future business away from a company. Blacklists of individuals and companies

already exist in cases where the United Nations has imposed embargoes, as well as in the anti-terrorism context (Jennings 2006).

Unless regulations are introduced, private military companies can only be held accountable by their clients and owners or shareholders. All the control mechanisms described above have flaws and are not easy to implement. In some cases, they require comprehensive controls which, in turn, necessitate a sufficiently well-developed institutional structure. In order to go some way towards systematising the current complexity, regulations of the type applicable to arms exports are re-quired, although the rules on arms transfers highlight just how inadequate the legal bases are.

## Summary and outlook

Over the past decade, global military expenditure has risen substantially and has now passed its end-of-Cold War peak. However, this rapid growth is likely to tail off as the current global financial crisis impacts on a number of countries' military aspirations. In the light of their economic difficulties and high levels of public debt, the US and Russia will probably be unable to continue to build up their arsenals quite as rapidly as in the previous decade. A different situation may apply in China, however, where the Government has announced a 15% increase in military expenditure for the coming year despite the crisis, which affects China as well.

The arms control and disarmament agenda had stalled to a large extent over the past decade, but the change of administration in the US has created fresh opportunities for arms control. The new Administration is pre-

**Table 7: Options for the regulation of private military companies**

Type of arrangement	Goal	Advantages and disadvantages
<b>Total ban</b>	Prohibits private military companies from operating in war and conflict situations	Difficult to enforce on extraterritorial basis; prohibits useful activities as well
<b>Self-regulation</b>	Adoption of a code of conduct	Easy to adopt; non-binding; "black sheep" do not adhere to the code
<b>Revision of the Geneva Convention</b>	Regulation of activities of private military firms/ban on specific activities	Clarifies the status of companies and their employees in situations of war; unsatisfactory compromise likely, however
<b>Licensing regime</b>	Control of activities of private military firms/ban on specific activities	Only licensed companies permitted to operate; as with arms exports, does not preclude violations and scandals
<b>Registration</b>	Transparency with regard to companies' activities	More transparency; easy to manage; governments must take action to prohibit specific activities
<b>International registration</b>	Transparency and verification of activities	More transparency; problematical cases probably not covered
<b>Blacklists</b>	Sanctions against companies	Introduction possible with minimal bureaucracy, but monitoring is complex; "naming and shaming" of black sheep; may prevent persistent offenders from attracting further business

Source: Author's own diagram

pared to negotiate with governments of countries that were previously classed as "rogue states". This willingness has been noted with interest in Europe and enjoys widespread support.

Security sector reform (SSR) targets the armed forces and the police first and foremost, with a view to subjecting them to civilian and, as far as possible, democratic control. It is now a widely accepted concept, and numerous SSR programmes have been launched with support from development cooperation. However, there is still a lack of comprehensive country programmes that are proving their worth in practice.

The privatisation of security is not an easy policy to reverse. The present call for a greater role for the state (in banking and the

economy, for example) in response to the global crisis has not yet been heeded in the military. Although the present US Administration has not yet revised the policy of extensive privatisation of military functions that it inherited from its predecessor, some changes can be anticipated. What's more, the financial crisis has led to more unemployment in the US, so the armed forces have no difficulty in recruiting the desired number of soldiers at present. Job losses and poverty are driving up military recruitment. As one side-effect of the crisis, the US Government could scale down its outsourcing of military functions. However, the US Government is keen to radically reduce its force numbers in Iraq, with a view to withdrawing them altogether, which in turn could

increase the number of contracts being awarded to private military firms.

Regardless of current developments in privatisation policy, regulation of private actors operating in conflict situations is ur-

gently needed. Despite urgent appeals, efforts here are still in their infancy, and there is currently no sign of a consensus on a uniform solution being reached at international level.

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