

BROOKINGS

Article

Peacekeepers, Inc.

Peter W. Singer Sunday, June 1, 2003

Violence breaks out in a small African state. The local government collapses and reports emerge that civilians are being massacred by the tens of thousands. Refugees stream out in pitiable columns. As scenes reminiscent of the Rwanda genocide are played out on the world's television screens once again, pressure mounts to do something. The U.N.'s calls for action fall on deaf ears. In the U.S., the leadership remains busy with the war on terrorism and Iraq and decides that the political risks of doing nothing are far lower than the risks of losing any American soldiers' lives in what is essentially a mission of charity. Other nations follow its lead, and none are willing to risk their own troops. As the international community dithers, innocent men, women, and children die by the hour.

It is at this point that a private company steps forward with a novel offer. Using its own hired troops, the firm will establish protected safe havens where civilians can take refuge and receive assistance from international aid agencies. Thousands of lives might be saved. All the company asks is a check for \$150 million.

What would the international community do when faced with such a choice? Would it allow peacekeeping to become a profit-making exercise? Or would it choose to spurn the firm's offer, but at the risk of lives on the ground? It is certainly a fascinating dilemma, but one that sounds almost too implausible to consider seriously. It is not.

A number of states are balanced precariously on the brink of a descent into chaos (Burundi, Congo, and Zimbabwe, to name just a few). And, despite a decade of swerving from crisis to crisis, the world appears in no better a position to respond if they do. The ultimate problem is that the U.N. remains a voluntary organization of states. Its peacekeeping options are thus dependent on the enthusiasm of its members to send their own troops into harm's way. In areas outside their spheres of influence, this is ever less

present, in particular among the developed states whose militaries are best prepared to do a good job. The same problem holds true for regional organizations, which are often weakest in the areas of the world where they are needed most. Sometimes, coalitions can be built to respond to crises, but they require time, cohesion, and a willingness and capability to intervene that may not always be there. Thus, when state failure or chaos occurs, often no one answers the call. Even when peacekeeping forces are available, the units are often slow and cumbersome to deploy, poorly trained, underequipped, lacking in motivation, or operating under a flawed mandate.

At the same time, there is growing global trade in private military services for hire, better known as the privatized military industry. These companies range from small consulting firms, formed by retired generals, to transnational corporations that offer battalions of commandos for hire. Often operating out of public sight, such firms have been players in a number of conflicts over the past decade, ranging from Angola to what was Zaire. Even the U.S. military has become one of the prime clients of the industry, with private firms now providing the logistics of every major U.S. military deployment, maintaining such strategic weapons systems as the B-2 stealth bomber and Global Hawk unmanned aerial vehicle, and taking over the ROTC programs in over 200 American universities. Indeed, from 1994 to 2002, the U.S. Defense Department entered into over 3,000 contracts with U.S.-based military firms, estimated at a value of more than \$300 billion. Their role in supporting the Iraq war will only see these numbers grow.

As a result, over the past several years, many have begun to call for a twenty-first-century business solution to the world's twenty-first-century security problems. If everything from prisons to welfare has been privatized, why not try turning peacekeeping over to the private market? Proponents of exploring this idea obviously include the companies who stand to profit from it. But they have also expanded well beyond, to include not only the British government, which just issued a "Green Paper" exploring the issue, but also many traditional supporters of U.N. peacekeeping, including even former U.N. Under Secretary Sir Brian Urquhart, who is considered the founding father of peacekeeping. As a U.N. officer summed up his feelings on the firms in an interview with the *Ottawa Citizen* (April 6, 1998), "In a perfect world we don't need them or want them. But the world isn't

perfect.” Privatized peacekeeping offers both promise and peril, and the time has come for the international community to face up to some hard choices—before the next disaster forces an even worse dilemma.

The privatized military industry

Given the fact that few have even heard of it, the privatized military industry is a surprisingly big business. It has several hundred companies, operating in over 100 countries on six continents, and over \$100 billion in annual global revenue. In fact, with the recent purchase of MPRI (a Virginia-based military advisory company) by the *Fortune* 500 firm L-3, many Americans already own slices of the industry in their 401(k)s. In the immediate aftermath of the September 11 attacks, the industry was one of the few to rise in stock valuation rather than plummet. The reason is that the attacks essentially lodged a “security tax” on the economy, from which the private military industry stands to benefit.

The industry began its boom roughly a decade ago. The opening of a market for private military services was the result of a synergy between three powerful forces. The immediate catalyst was a massive disruption in the supply and demand of capable military forces since the end of the Cold War. Not only did global military downsizing create a new labor pool of over 6 million recently retired soldiers, but at the same time there was an increase in violent, but less strategically significant, conflicts around the world. With the great powers less willing to intervene or prop up local allies, the outcome was a gap in the market of security, which private firms found themselves able to fill.

At the same time, massive transformations are underway in the nature of warfare. While small-arms simplification and proliferation has increased the ability of minor warring groups to disrupt entire societies, creating even greater demand, warfare has also become more technological at its highest levels. As the vast array of military contractor support in the Iraq war illustrated, the most modern forces are more reliant than ever on civilian specialists to run increasingly sophisticated military systems.

Finally, the past few decades have been characterized by a normative shift towards the marketization of the former public sphere. The successes of privatization programs and outsourcing strategies have given the market-based solution not only the stamp of

legitimacy, but also the push to privatize any function that can be done outside government. The past decade, for example, was marked by the cumulative externalization of a number of functions that were once among the nation-state's defining characteristics, including schools, welfare programs, prisons, and defense manufacturers. In fact, the parallel to military service outsourcing is already manifest in the domestic security market, where in states as diverse as Britain, Germany, the Philippines, Russia, and the United States, the number of private security forces and the size of their budgets greatly exceed those of public law-enforcement agencies. In short, this newest outsourcing industry drew precedents, models, and justifications from the wider "privatization revolution."

In a parallel to the wider outsourcing industry, there are three primary business sectors in the privatized military industry, with the firms distinguished by the range of services that they offer. Military provider firms, also known as private military companies or PMCs, offer services at the forefront of the battlespace. That is, their employees engage in actual fighting. Military consultant firms provide combat and strategic advisory and training services. Military support firms, akin to supply chain management firms, provide rear-echelon services, such as logistics, technical support, and transportation.

The industry's growth means that almost any military capability can now be hired off the global market. After they receive contracts from clients, who range from state governments and multinational corporations to humanitarian aid groups and even some suspected terrorist groups, the firms recruit military specialists to fill them. They find their employees through formal job announcements in trade journals and through informal alumni networks of elite units. The vast majority are recently retired, meaning that the cost of training is borne elsewhere, an added savings. Where once the creation of a military force required huge investments in both time and resources, today the entire spectrum of conventional forces can be obtained in a matter of weeks, if not days. The barriers to acquiring military strength are thus lowered, making power more fungible than ever. In other words, clients can undertake operations, which they would not be able to do otherwise, simply by writing a check.

This is not just a flight of fancy, but has actually already come to fruition in a number of cases. For instance, the armies in the West African ECOWAS organization all lack certain specializations, such as air support and logistics, that are critical for effective intervention operations. Nonetheless, due to the facilitation of firms such as International Charters, Inc. (ICI) of Oregon, the organization's forces were able to intervene in the Liberian war in the early 1990s. Using a mix of former U.S. special forces and Soviet Red Army veterans, the firm provided the assault and transport helicopters that supplied the regional force and deployed it into combat. In fact, when the capital, Monrovia, was overrun by rebels and the firm's helicopters were destroyed at the airport base, ICI's personnel retreated to the American embassy and helped defend it from being burned down. Similarly, in 1998, Ethiopia leased a wing of the latest Su-27 jet fighters (roughly equivalent to F-15s) from the Russian firm Sukhoi—along with the pilots to fly them, the technicians to maintain them, and the mission planners to direct them. This private air force helped Ethiopia win its war with neighboring Eritrea.

Peacekeeping possibilities

Within the peacekeeping sphere, the military consulting and support industry sectors have already made inroads (one example being firms providing certain national contingents in the East Timor operation with logistics support). However, the idea of military provider firms replacing blue helmet troops on the ground is one of the most controversial proposals to emerge from the industry's growth. Proponents believe that such outsourcing of peacekeeping will increase both the effectiveness and efficiency of peace operations. In contrast to the U.N.'s tin-cup dependence on whatever forces its members choose to donate, private firms could target their recruiting at more capable personnel and scour the markets for the best equipment. The firms also would lack the procedural hang-ups that hamper international organizations; they are less threatened by the internal tensions that plague multinational forces and can take quicker and more decisive action. In short, private companies might be able to do peacekeeping faster, better, and cheaper.

The contrasting experiences in Sierra Leone between the military provider firm Executive Outcomes and the U.N.'s peacekeeping operation are the most often cited example of privatization's promise. In 1995, the Sierra Leone government was near defeat from the RUF, a nefarious rebel group whose habit of chopping off the arms of civilians as a terror tactic made it one of the most truly evil groups of the late twentieth century. Supported by multinational mining interests, the government hired the private military firm, made up of veterans from the South African apartheid regime's elite forces, to help rescue it. Deploying a battalion-sized unit of assault infantry (numbering in the low hundreds), who were supported by firm-manned combat helicopters, light artillery, and a few armored vehicles, Executive Outcomes was able to defeat the RUF in a span of weeks. Its victory brought enough stability to allow Sierra Leone to hold its first election in over a decade. After its contract termination, however, the war restarted. In 1999 the U.N. was sent in. Despite having a budget and personnel size nearly 20 times that of the private firm, the U.N. force took several years of operations, and a rescue by the British military, to come close to the same results.

There are three potential scenarios for the privatization of peacekeeping forces. The first is privatized protection. The problem of security for relief operations is widespread and pervasive. In fact, more Red Cross workers were killed in action in the 1990s than U.S. Army personnel. Thus, while the ability of humanitarian actors to create a consensual environment themselves is severely limited, military provider firms might be able to provide site and convoy protection to aid groups. This would allow much more effective aid actions in areas where the local government has collapsed. Besides the direct benefit to the workers on the ground, better protection might also prevent local insurgents from gaining control of supplies and lessen the pressure on outside governments to become involved in messy situations, including scenarios like the 1992 Somalia operation. Humanitarian organizations still operating in dangerous places such as Mogadishu already contract for protection with local warlords, so the more formal business alternative might be preferable. In fact, this scenario is not all that unlikely, given that several U.N. agencies already use such firms to provide security for their own offices.

The second possibility is hired units constituted as a “Rapid Reaction Force” within an overall peacekeeping operation. Whenever recalcitrant local parties break peace agreements or threaten the operation, military firms would be hired to offer the muscle that blue helmets are unable or unwilling to provide. The quick insertion of a more combat-minded force, even a relatively small private one, could be critical in deterring local adversaries and stiffening the back of the overall peace operation. Paid firms might thus provide the short-term coercion necessary at critical junctures in the operation.

The final, and most contentious, scenario is the complete outsourcing of the operation. When a genocide or humanitarian crisis occurs and no state is willing to step forward to send its own troops, the intervention itself might be turned over to private firms. Upon their hire (by the U.N. or anyone else willing to pay), the firm would deploy to a new area, defeat any local opposition, set up infrastructures for protecting and supporting refugees, and then, once the situation was stabilized, potentially hand over control to regular troops. This idea may sound quite incredible but actually was an option considered by policymakers behind closed doors during the refugee crisis that took place in eastern Zaire in 1996. Both the U.N. Department of Peacekeeping and the U.S. National Security Council discussed the idea that, in lieu of U.N. peacekeepers, a private firm be hired to create a secure humanitarian corridor. The plan was dismissed when the question of who would actually foot the bill was raised.

The scenarios illustrate how the concept of the private sector taking over peace operations could radically transform the very nature of peacekeeping, opening up all sorts of new possibilities. For example, firm executives have proposed that they could be paid to take back cities such as Mogadishu, which have been lost to warlords and lawlessness. The firms would stabilize them and then turn the cities over to local or U.N. administration, thus perhaps allowing failed states to rejoin the international system. Similarly, the aforementioned Executive Outcomes performed a business exploration of whether it would have had the capacity to intervene in Rwanda in 1994. Internal plans claim that the company could have had armed troops on the ground within 14 days of its hire and been fully deployed with over 1,500 of its own soldiers, along with air and fire support (roughly the equivalent of the U.S. Marine force that first deployed into Afghanistan), within six weeks. The cost for a six-month operation to provide protected safe havens from the

genocide was estimated at \$150 million (around \$600,000 a day). This private option compares quite favorably with the eventual U.N. relief operation, which deployed only after the killings. The U.N. operation ended up costing \$3 million a day (and did nothing to save hundreds of thousands of lives).

More recently, a consortium of military firms, interestingly entitled the “International Peace Operations Association,” has proposed that it be hired to work on behalf of the largely ineffectual MONUC peacekeeping operations in the Eastern Congo. The private military firms, which range from aerial surveillance operators to a company of Gurkha veterans, have offered to create a “Security Curtain” (50 km demilitarized zone) in one of the most lawless areas on the African continent. The IPOA’s charge would be between \$100-200 million, dependent on the scale of the operation. So far, it has found no takers, but the level of violence in the area continues to escalate.

Privatization’s perils

Obviously, such proposals hold great promise, which explains the enthusiasm for them. But before the international community leaps into the privatization revolution, it would do well also to consider its perils. A perfect market exists only in theory, and marketizing public services therefore carries both advantages and disadvantages. To put it in economic terms, privatization of any type always carries positive and negative externalities. This is never more true than in the military sphere, where profit motives further cloud the fog of war. While experience has shown that these private military businesses may be able to operate more efficiently and effectively than the forces of public organizations, their hire also has often raised an array of worrisome issues. These challenges are certainly better resolved *before* peacekeeping is turned over to the private market.

The first issue is the contractual dilemmas that arise with privatization. There are obvious market incentives for firms to act in their clients’ interests. Any company that does otherwise risks not being hired again. The problem is that market constraints are always imperfect and tend to work only over the long term. In actuality, the security goals of clients are often in tension with the firms’ aim of profit maximization. The result is that considerations of the good of the private company are not always identical with the public good. For privatized peacekeeping, the ensuing dangers include all the problems one has

in standard contracting and business outsourcing. The hired firms have incentives to overcharge, pad their personnel lists, hide failures, not perform to their peak capacity, and so on. The worry, though, is that these are all now transferred into the security realm, where people's lives are at stake.

The most worrisome contractual dilemma, however, is that outsourcing also entails turning over control of the actual provision of service. For peacekeeping, this means the troops in the field are not part of national armies, but private citizens hired off the market, working for private firms. Security is now at the mercy of any change in market costs and incentives. One example of the resulting danger derives from the nasty habit humanitarian interventions have of becoming more complex over time. A firm hired to establish a safe haven might later find the situation more difficult than it originally expected. The operation might become unprofitable or, due to any increase in local opposition, more dangerous than anticipated. Thus, the company could find it in its corporate interest to pull out. Or, even if the company is kept in line by market constraints, its employees might decide that the personal risks they face in sticking it out in an operation are too high relative to their pay. Not bound by military law, they can simply break their contracts without fear of punishment and find safer, better paying work elsewhere. In either case, the result is the same: the abandonment of those who were dependent on private protection without consideration for the political costs or the client's ability to quickly replace them.

Second, privatization also raises certain risks stemming from problems of adverse selection and a lessening of accountability. Military provider firms are not always looking for the most congenial workforce, but instead, understandably enough, recruit those known for their effectiveness. For example, many former members of the most notorious and ruthless units of the Soviet and apartheid regimes have found employment in the industry. These individuals acted without concern for human rights in the past and certainly could do so again. In either case, the industry cannot be described as imbued with a culture of peacekeeping.

Even if the firms are scrupulous in screening their hires (which is hard to accomplish, given that few prospective employees would think to include an “atrocities committed” section on their resumes), it is still difficult for them to monitor their troops in the field. Furthermore, if employees do commit violations, there is little incentive for a firm to turn them over to any local authorities. To do so risks scaring off both clients and other prospective employees. This turned out to be the case recently in the Balkans. Employees of Dyncorp, who had been contracted to perform police duties for the U.N. and aircraft maintenance for the U.S. Army, were later implicated in child prostitution rings. Dyncorp’s Bosnia site supervisor even filmed himself raping two women. These employees were transferred out of the country, and none were ever criminally prosecuted.

Industry executives counter that U.N. peacekeepers have certainly been involved in crimes of their own in the past, so the risks of human rights violations occurring during peace operations are nothing new. The difference with privatization, though, is that while soldiers in U.N. missions are ultimately held responsible under their national military code of justice, contracted peacekeepers are subject only to the laws of the market. Current international law has been found inapplicable to the actions of the industry, as the firms fall outside of the outdated legal conventions that deal only with individual mercenaries. The only possible regulation must then come either from the law of the state in which the operation is taking place or the law of the state in which the firm is based.

Since the collapse of the rule of law is what tends to create the conditions for hiring firms in the first place, the first alternative is almost never an option. The transnational nature of the industry makes the second option of home-state regulation difficult as well. Besides the fact that extraterritorial monitoring (i.e., of firms operating outside national boundaries) is very difficult, any time a firm finds the regulation too onerous, it can simply transfer to more friendly environs. Moreover, even among firms that stay based in the few countries with the ability and will to regulate, the jurisdiction is still problematic. For example, U.S. criminal law does not apply outside of U.S. territorial and special maritime jurisdictions, so that if an employee of an American military firm commits an offense abroad, the likelihood of prosecution is extremely low. Consequently, other than nonrenewal of contract, there are no real checks and balances on military firms that will ensure full accountability.

The third challenge of privatization is its long-term implications for local parties. The key to any durable peace is the restoration of legitimacy. In particular, this requires the return of control over organized violence to public authorities. Unfortunately, if peacekeeping is privatized, the companies may become a temporary mechanism for preserving peace but still do little to address the underlying causes of unrest and violence.

In the view of many, most importantly the U.N. Department of Peacekeeping (which may have a vested bureaucratic interest in opposing the privatization of forces), the act of becoming a peacekeeper is about more than just changing the color of one's helmet or beret. Peacekeepers' roles and responsibilities differ markedly from regular military operations. They require an entirely new cultural outlook focused on humanitarian concerns, which at times can duel with or shackle normal military instincts. Not only must peacekeepers operate under very different rules of engagement, but the most important directive is a guiding ethic of neutrality, the act of not taking sides.

Thus, the most successful peacekeeping operations (such as experiences in Mozambique, Namibia, and Guatemala) are not simply about placing third-party troops on the ground. Instead, they include a wide variety of "peacebuilding" activities designed to restore torn social fabrics and foster cooperation among local parties. These range from cease-fire monitoring and troop disarmament and demobilization to reconstruction and election monitoring. Thus, U.N. operations are often so unwieldy for the very reason that they must also carry on these essential activities. Private military firms, untrained or uninterested in the culture of peacekeeping, might be ill-equipped to handle them. Moreover, reliance on an outside private force does little to reestablish the local social contract. Instead, it appears more likely to reinforce the idea that power belongs only to those with the ability to afford it.

Finally, the nitty-gritty details of implementation often bedevil privatization's promise in regular government contracting and general industry; they likely will do so with peacekeeping as well. For example, there is no clear answer to the question of who should have the power to hire private military firms. The first scenario of contracted protection not only challenges norms of aid group neutrality, but also perhaps hazardously expands the powers of these outside organizations, which are responsible only to their donors. The

presence of such protection forces entails a further multiplication of armed forces on the ground, hardly the best thing in the midst of a complex operation. Likewise, if the power to hire military firms for peacekeeping is restricted to the U.N., it is still unclear what body of the institution should decide. The decision-making process of the General Assembly is certainly unwieldy and also biased against certain states. Limiting authority to the Security Council, however, leaves the developing world—the very place where the privatized deployments are likely to occur—underrepresented. The result is that many of the same arguments that have been made against the U.N.'s having its own standing army also apply to it having its own contracted force.

Similar concerns also occur at the operational level. In the rapid reaction force scenario, for example, there will likely be difficulties of integrating a better-paid private force within a larger U.N. peacekeeping force. The probable resentment between the two forces could jeopardize operational cohesion. Likewise, it is difficult to determine who should be in operational command. Few military firms are willing to accept outside commanders of their units, particularly from the U.N., while clients would obviously prefer to have their own people at the top. In lieu of this, some firms have expressed a willingness to allow outside observers to be present during their operations. The exact powers of these observers, though, are also unsettled. For example, who will provide them and ensure their independence? Will they be like rapporteurs, just providing independent reporting on the operations, or like referees, with the ability to veto certain actions or suspend operations in mid-course?

Hard choices

The international community must face up to the fact that its own weaknesses have presented it with a hard choice. It is only a matter of time before the next humanitarian crisis occurs in an area that falls outside the interests of the leading states. Whenever it happens, there is a strong possibility that the U.N. will either have to stomach its concerns about the unseemliness of privatized peacekeeping or face the prospect of watching thousands of men, women, and children die when the market could have saved them.

The onus is to deal with these issues now, before the next crisis brings this quandary to the fore. This requires action on two fronts. The ills of U.N. peacekeeping have been known for over a decade. As pithy as it sounds, it would be in the interest not only of the institution, but also of its primary donors finally to do something about them. A good starting point would be full support for the implementation of the Brahimi Report, a statement of recommendations on peacekeeping reform written last year by an international body of experts. Prime among these proposals is to raise the bar for the recruiting and vetting of international peacekeeper units.

The U.N. should also seriously explore the possibility of using the private market to get a better bang for its buck out of existing peacekeeping units. Military support firms already provide the transport, communications, and logistics of operations for many militaries from well-off states. For example, Brown & Root Services provides such support to U.S. forces deployed in the Balkans, Central Asia, and the Gulf. Units from the developing world, which make up the majority of U.N. forces, are glaringly weak in performing these functions. By outsourcing these services and standardizing them over the whole U.N. peacekeeping system, a synergy of public troops and private support might become possible. Similarly, military consultant firms might be able to provide training and assistance that would improve U.N. operational output.

The second front is perhaps even more difficult than U.N. reform. The decision to watch genocide and do nothing not only is morally unacceptable, but also is likely untenable in a world of ever-present media attention. So, if the international community is unwilling to pay the costs of providing its own capable peacekeeping forces, then it is better that it now begin finding ways to mitigate the underlying concerns with contracting out humanitarian intervention. This is preferable to an ad hoc response at the point of crisis.

The U.N. is currently ill-prepared to enter the business environment that privatization entails. If the decision is made to turn down this path, it will have to make institutional adjustments to protect both its own and public interests. A good starting point is the creation of standardized monitoring and contracting processes. Other priorities include the establishment of clear contractual standards and incentives programs, systems for outside vetting of personnel, and the creation of independent observer teams (with

powers not only to monitor, but also to control the delivery of payment in order to establish their authority over the firm). Most important, however, is that military firms be brought under the control of the law, just like any other industry. This will require both the extension of the International Court of Justice to their activities and clear contract provisos that military firm personnel fall under the jurisdiction of international tribunals.

From passenger planes serving as cruise missiles to private companies trading in armies, we live in a time of immense flux in the international security environment. A mere 10 years ago, the notion of private firms taking over the responsibilities of peacekeeping would have been absurd. It is now a real prospect. These firms, however, are not altruistic by any measure, meaning that peacekeeping would best be left to the real generals. But if the public sector is unwilling to get its own house in order, the private sector offers a new way to protect those who would otherwise be defenseless.