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The Private Security Companies (PSCs) Dilemma in Afghanistan

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*This document is intended to provide a brief examination of the security situation related to the expected impact of Presidential Decree No. 62 and the disbandment of Private Security Companies (PSCs) in Afghanistan. Despite the fact that the Decree was withdrawn, an international debate was sparked by the expected consequences for development projects. More comprehensive information is available at www.cimicweb.org.¹ **Hyperlinks to original source material are highlighted in blue and underlined in the text.***

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Private security contractors (PSC) have had a [substantial presence in Afghanistan](#) since the beginning of the US-led intervention in 2001, according to a 2007 report by the Swiss Peace Foundation. In fact, PSCs have become increasingly active in [fulfilling a number of tasks in conflict and post-conflict situations](#), as a private military website states. In such unstable environments, the *New York Times* points out that PSCs are often requested [to perform a wide scope of security services](#) ranging from guarding embassies and diplomatic offices to securing supply convoys, construction projects and military facilities.

The use of PSCs derives from two main problems encountered in Afghanistan and other unstable countries. First, as a 2009 joint report by the Royal United Services Institute for Defence and Security Studies and the Foreign Policy Research Institute argues, the Afghan security sector remains weak in a variety of areas. The report further states that the Afghan National Security Forces (ANSF) [still lack the necessary capabilities](#) to cover the demand for security services during conflict and reconstruction periods. Moreover, the international forces seem to [lack the manpower](#) to fully support the numerous actions required to address the security situation while, at the same time, protecting international personnel and facilities on the ground, reports *BusinessWeek*. In fact, as the same article suggests, a successful intervention in Afghanistan would require at least 150,000 additional military personnel.

¹ A CimicWeb user account is required to access some of the links in this document.



According to BusinessWeek, “[about 50% of the US Army’s active-duty troops are on foreign soil already](#)” while “90% of all American military police are already on active duty.”

As a result of this under-manning, post reconstruction efforts in precarious security environments are sometimes heavily dependent on the support of PSCs. However, as the Swiss Peace Foundation explains, the [presence of PSCs is often controversial](#), raising concerns regarding the lack of regulations to monitor their actions and their impact on the host country population. Nevertheless, private companies carrying out development projects in Afghanistan are still heavily reliant on PSCs. ISAF forces and the US also make great use of PSCs. According to the US Department of State, the US Department of Defense (DoD) was responsible for [hiring 16,733 private guards to support the military efforts](#) on the ground during Fiscal Year 2010.

As the plan to disband PSCs has been on the Afghan government’s agenda since August 2010, their use in Afghanistan and the ban’s impact on post reconstruction efforts have been among some of the most heavily debated issues. This report will thus focus on the positive and negative outcomes derived from the use of PSCs in Afghanistan. Moreover, it will examine the setbacks expected as a result of Karzai’s decision to ban the use of PSCs past August and how this led to the 06 December decision by President Hamid Karzai to abandon the plan.

Private Security Companies (PSCs) in Afghanistan

As listed in a 2006 report by the International Review of the Red Cross, PSCs are hired by a variety of actors active in conflict and post-conflict situations, among them:

- private corporations
- international organisations
- inter-governmental organisations
- non- governmental organizations (NGOs)
- national military forces



Private Security Contractors in Afghanistan

Source: [New York Times](#)

In Afghanistan, PSCs are mostly hired by [non-profit organisations and development agencies](#) carrying out reconstruction projects, national military forces (the majority being hired by the US), embassies and consulates as well as NATO, says the *New York Times*. According to *BBC*, as of today [52 companies](#) are registered as PSCs working in Afghanistan and employ some 30,000 staff. *The Guardian* also points out that there are a number of [unregistered companies operating in Afghanistan](#), including around 22 in the southern province of [Kandahar](#) alone. The *Associated Press* adds that [26,000 armed security contractors](#) work with the US government; of those, 19,000 are said to work with the US military. Meanwhile, the Afghan government estimates that there are in fact around [40,000 armed security contractors](#) active in Afghanistan.



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One of the main critiques of the use of private security guards in Afghanistan relates to the [“vacuum in the law when it comes to their operations,”](#) as addressed by the International Review of the Red Cross. A [Swiss Peace report](#) highlights some of the important issues regarding the presence of PSCs on the ground. These include the “licensing process, staff identification, the weapons used and general requirements for PSC owners and staff.” Although the Afghan government set a law-making process to create adequate regulation in order to address PSCs accountability and monitoring in 2008, in June 2010, the United Nations Working Group on the use of mercenaries found this [regulation failed to ensure adequate oversight or improved human rights protection](#). The Working Group further stressed the importance of training and developing the capacity of the Afghan National Security Forces (ANSF) to exercise control over the security sector in the country. The intent was to establish a fully capable security force to strengthen the country’s institutions, making its actions legitimate and promoting a state founded on the rule of law.



Non-uniformed Private Security Contractors vs. Uniformed Personnel

Source: [Reuters](#)

Indeed, President Karzai has repeatedly complained that PSCs create a [parallel and unchecked power structure](#), undermining official efforts to stabilize the country, according to *Al Jazeera*. As a result of the high cost of engaging PSCs, [they are considered to be diverting funds that should be invested in the Afghan security sector](#), says the 2007 Swiss Peace report. Moreover, as *Business Week* notes, [private security forces are better paid, which attracts young Afghan men](#) who would otherwise be recruited into the Afghan National Police (ANP) or the Afghan National Army (ANA). In fact, Afghans comprise a large percentage of PSC’s personnel, as the website *Afghanistan News* points out, [40,000 Afghans work directly for private security firms](#) and argue that working for the government does not compare.

Another reason PSCs in Afghanistan raise such heated debate is the concern that they [might have a negative impact on the local population and even on security efforts](#), says *AP*. As the *New York Times* reported, a US Congressional Investigation revealed that corruption [amongst private guards has allowed US funds to reach the hands of insurgents](#) as the private guards are said to sometimes “bribe Taliban insurgents to allow supply convoys to pass unmolested.” On one occasion, according to the *Washington Post*, the Watan Group – a major Afghan PSC owned by relatives of President Karzai – paid Taliban commanders [to avoid attacks along a key NATO supply route from Kabul to Kandahar](#), in southern Afghanistan.



PSCs are highly unpopular amongst Afghans and [have been confronted with serious accusations of misbehaviour](#), says *CBS*. The same article reports that besides being involved in the accidental death of several Afghan civilians, in 2009 private security contractors were allegedly photographed at lurid parties in various stages of nudity. In another instance, a contractor employed to train Afghan army recruits was found to be abusing drugs, further undermining their image amongst Afghan society in general.

For these reasons, last August President Karzai approved Presidential Decree No. 62, which would slowly [phase out PSCs operating in Afghanistan](#) and ban them from any future work, says *The Guardian*. However, as concerns regarding the loss of millions of dollars in development projects arose, [Karzai chose to lift the ban](#), says the *New York Times*. The following section will discuss the Decree's main directives and the factors that led Karzai to change his mind.

Presidential Decree No. 62: What Made President Karzai Change His Mind

Presidential Decree No. 62 was issued at a tense time for security in Afghanistan, as the Afghan National Police (ANP) still lacked the capacity to assume full responsibility for providing security in the country. Moreover, according to a 2010 Report of the United Nations Secretary-General on the situation in Afghanistan, there had been a [69% increase in insurgent attacks](#) compared to the same period a year before.

The decision to disband private security firms was made one week after it was agreed that control over security in Afghanistan would be [transferred to the Afghan authorities by 2014](#), writes *Reuters*. Presidential Decree No. 62,² however, mandated that all current PSCs should leave the country within four months of the decree's approval, which would make the deadline 17 December. According to the decree, individuals currently working for private companies would register with the Ministry of Interior (MoI) to check their eligibility, and, if qualified, they would be reintegrated "with or without weapon, ammunition, vehicle and other on hand equipment." The decree also stated that the Afghan Ministry of Interior (MoI), in cooperation with the Ministry of Defense (MoD) and National Directorate of Security (NDS), would be tasked to provide security for all embassies, international organisations and non-governmental organisations (NGOs) as well as support the logistical operations of the international troops.

On the other hand, private security firms operating in the country illegally would have their equipment and supplies confiscated. In fact, in the beginning of October, *CMW* reported that [eight private security firms had already been disbanded](#) and hundreds of weapons were confiscated by Afghanistan's Ministry of Interior (MoI).

²President of the Islamic Republic of Afghanistan, *Presidential Decree No. 62 on the Dissolution of Private Security Companies*, Kabul, 17 August 2010.



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Weapons Confiscated by the Ministry of interior (MoI)

Source: [Wall Street Journal](#) , [AP](#)

According to the decree, the international community would be forced to rely on the ANP to secure all facilities as of 17 December. However, as private companies' clients do not trust the ANP, just two months after the president's decision, in October, firms working on development and reconstruction projects in Afghanistan had already begun to [cancel assistance programmes and aid](#) with *the Washington Post* reporting that the ban would [affect an estimated USD 1.5 billion in Afghanistan reconstruction work](#).

However, as donors initiated planning to leave the country and began decreasing aid disbursements, Karzai softened his position on the ban. It would seem that Karzai was looking for a way out that would provide a [reasonable solution](#) to the challenge of dissolving private security contractors as well as maintain reconstruction and development projects in Afghanistan, says *Reuters*.

On 27 October, Karzai issued a press release on the formation of a [committee led by the Ministry of Interior \(MoI\)](#) along with participating representatives from the International Security Assistance Force (ISAF) and major international donors. The committee was mandated to develop a plan for the disbandment of PSCs responsible for guarding development projects. However, on 06 December, as *BBC* reported, [Karzai had abandoned his plans "to scrap private security firms in the country by mid-December"](#).



The Way Ahead: Challenges and Implications

Despite the recent decision to allow PSCs to continue operating in Afghanistan, the [Afghan government left important details regarding security companies in doubt](#) says the *New York Times*. Under the modified policy, security firms working for development companies, NATO, foreign embassies and the United Nations would be allowed to work in Afghanistan until their contracts ended, but it was unclear what would happen after the expiration date.

This announcement, as *BBC* states, was made by Interior Ministry adviser Abdul Manan Farahi, who also affirmed that “some of the 52 firms still operating remained under criminal investigation and could face closure; [a list of banned companies would be announced on December 17th](#).”

The same article also noted some new developments, including private guards being required to wear uniforms and not being allowed to stop vehicles or set up roadblocks. It also indicated that a new independent public security force would be created to replace the PSCs already shut down and secure the development projects under their responsibility. However, as the *New York Times* pointed out, Mr. Farahi had also suggested “convoy security would continue to be provided by private security firms, but the [Afghan police would accompany the convoys](#) to ensure that security firm employees were not misbehaving.”

Hence, there are still several issues yet to be solved regarding PSCs in Afghanistan. Most observers agree that the disbandment of PSCs is necessary to institutionalise the Afghan security sector and to contribute to strengthening institutionalisation within the Afghan government. Nevertheless, how PSCs will work from now on remains unclear and further discussions ought to take place. Moreover, as Karzai’s August decision revealed, reconstruction efforts would be undermined as development projects continue to be heavily dependent on PSCs. Consequently, further discussions are needed involving all players active in reconstruction efforts in Afghanistan alongside further attempts to improve the security sector in the country.

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