
Cost Before Hearts and Minds - Private Security in Afghanistan

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One argument for relying on contractors in military operations is that they are more cost-effective than regular armed forces. Yet, as Anna Leander demonstrates, a number of 'cost effective' private security companies hardly endeared themselves to those they served in Afghanistan.

ISN: What motivated the US, UK and other Western states to hire Private Military and Security Companies (PMSCs) to undertake work in Afghanistan?

Anna Leander: There are three main reasons. First, some tasks are outsourced to PMSCs simply because they have the technical capacity to undertake them whereas armed forces do not. Typically, these tasks are linked to maintenance and the operation of advanced weapons systems. Second, tasks are regularly outsourced because they are considered to be of a "non-military" nature. Accordingly, there is no reason for often over-stretched armed forces to undertake them. Typically, such tasks include catering, facilities management and providing personal security for state employees and other contractors. Finally, some tasks are outsourced to make the war less visible. This typically includes tasks that are either politically contentious - such as covert operations - or tasks that would require a dramatic increase in the number of troops already deployed.

Ultimately, the abovementioned reasons all hinge on the overall idea that the private sector can provide services in conflicts that are more effective than those offered by state actors.

How much was spent on deploying PMSCs to Afghanistan? Has this proved to be more cost-effective than using regular armed forces?

There is no figure on this so we cannot provide an answer. The US Government Accountability Office (GAO) has struggled for years to force government agencies to provide clear information without much success. Similarly, the Congressional Commission on Wartime Contracting has just concluded a three-year investigation which estimated that \$206 billion was spent on contracting in Afghanistan and Iraq between 2001 and 2011 (of which \$60 billion was regarded as "wasted"). However, this only includes three selected US public agencies - the Departments of State and Defense, and USAID - and not spending by other private companies, organizations and, of course, allies. We are, in other words, far from anything that resembles a definitive answer to this question. However, all available evidence suggests that the United States and its allies have spent a considerable amount of money outsourcing functions to PMSCs in Afghanistan.

Knowing whether this has proven to be more cost-effective than using regular armed forces is also a

challenge. A comparison would require a clear understanding of what the PMSCs actually cost as well as of how much it would have cost for regular armed forces to provide a similar service. My intuition is that there are three good reasons to think that relying on the armed forces would have been cheaper. First, in comparison to the private sector, there are a set of well-established procedures and checks within armed forces that restrict overpricing and the extent of corruption – both of which have been endemic in PMSC contracting processes. Second, considerable transition costs are incurred as a result of transferring responsibilities from armed forces to PMSCs, including, for example, in the setting up of procedures for managing the contracting process itself. Third, PMSCs generate indirect costs for the armed forces by for instance drawing on (but not contributing to) the educational programs of the armed forces or by forcing the armed forces to increase salaries and bonuses and launch expensive recruitment campaigns to retain staff that would otherwise go to the private sector..

How effective have PMSCs been in supporting military operations in Afghanistan? Has their involvement in providing personal protection or training Afghanistan's security forces, for example, enhanced the effectiveness of the regular armed forces?

There are many examples that could be used to support both sides of the argument over the effectiveness of PMSCs in Afghanistan. Indeed, it also depends on how “effectiveness” is actually interpreted. If we take it to mean the winning of hearts and minds, then the PMSCs have been decidedly ineffective. The US Senate Committee on Armed Services' 2010 inquiry into the roles played by and oversight of PMSCs in Afghanistan provides an interesting illustration. The inquiry primarily concentrated on an incident in which seven employees of a private contractor were killed because they were staying in the same house as a Taliban leader. The PMSC was in other words directly financing the Taliban resistance against the allies—not winning hearts and minds.

Another example concerns the discussion surrounding ArmorGroup's contract to guard the US embassy in Kabul. The controversy surrounded the claims by no fewer than 25 whistle-blowers (many of whom were from the US Armed Forces) that guards slept on their shifts, did not speak English or Pashto (as they were largely Ghurkas), had not been properly equipped to carry out their work and regularly humiliated their Afghan colleagues. The allegations were taken seriously enough for the contract to be terminated and transferred to another company. The last time I checked, this transfer still had not taken place. This example does not reflect well on the objective of winning hearts and minds through professional behaviour or correct treatment of locals.

On Tuesday we outlined how a number of retired US officers cast doubt on the decision to extensively deploy PMSCs across Iraq. What additional problems are associated with PMSCs in Afghanistan?

They are similar to those in Iraq and include three things: 1) practical problems of coordination of activities on the ground, 2) problems of control/regulation/accountability – both with PMSCs and with those employing them – and 3) problems associated with tilting activities in the conflict area towards the military/security side of things. Actions are continuously taken to address all three problems as everyone involved in practice is acutely aware of their existence.

If we look at the case of Afghanistan in particular, what are the lessons learned? Have the benefits of using PMSCs outweighed the downsides of doing so, or is it rather the other way around?

Benefits and downsides for whom? The Afghan government has been trying to ban or at least curtail the use of PMSCs over the past few years. This gives a rather unambiguous indication of how it views PMSCs. As to the United States' armed forces – and ISAF more generally – my understanding

is that the balance is mixed. There is considerably more awareness of the need for a more carefully considered approach to the deployment of PMSCs than ten years ago. However, there is also a sense that PMSCs have now become an indispensable part of military operations, especially because of the increasing use of advanced technologies and especially unmanned systems (drones). That said, outside the world of defense and security experts, policymakers, diplomats, and the public at large remain skeptical of PMSCs. The security/defense experts may therefore not have the last word on this matter. Indeed, in a recent research project based at the Peace Research Institute in Oslo we explore these tensions in relation to European security commercialization in Afghanistan and the future of the commercialization of security in Europe more generally.

Keeping the lessons from Afghanistan in mind, let's go back to what might be the core question here. Can we return to the 18th century (and before) where state-sanctioned hard power mingled - not always easily or effectively - with its private forms, or is the co-mingling of these different applications of power inherently destabilizing or counterproductive?

We are already "co-mingling" public and private forms of power regarding the use of force. The private and the public are intertwined - in fact enmeshed to the point of becoming hybrid- in the sense that the private is inside the public and the public inside the private. The same people are on both sides of the public/private divide at the same time. This is not quite the same as "going back" because the form of co-mingling (i.e. the enmeshment) is new. States govern through markets and with the help of market actors. Market actors are therefore not hired merely to carry out tasks but to define them. This is similar to what has been going on in other parts of public administration where it is often discussed under the heading of "new public management". I have argued this in detail a number of times including in the Review of International Studies article "Risk and the Fabrication of Apolitical, Unaccountable Military Markets".

Whether or not this is inherently destabilizing again raises a fundamental question - destabilizing in relation to what? In 2009 I published an argument in an edited volume on sovereignty to the effect that the increasing reliance on markets stabilizes statehood (more specifically sovereignty) as an international institution. In a 2005 edition of the Journal of Peace Research I argued that markets tend to increase insecurity in fragile states. I have also argued a number of times that PMSCs tend to have a militarizing effect because they bolster the positions of hardliners, both inside the armed forces and in government departments. A militarized order may be stable but is it desirable? I don't think so and therefore this is for me the core issue in the debate about PMSCs. Of course, I would very much like to be proven wrong in my contention that commercialization is tantamount to militarization and/or to be able to come up with counter-balancing measures (hence my current focus on regulation). Such measures are particularly urgent since we are already 'intermingling' but also already short of ideas about how to govern the use of force without relying on PMSCs.

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