SUMMARY

- The privatization of security services can damage the monopoly on the use of force or prevent its emergence.
- Non-state groups and companies engaged in performing traditional security functions include private military and security companies; militias, rebel groups, insurgents, or warlords; and organized crime.
- Reasons for the growth of private security services include the neoliberal economic ideology, globalization, weak governments, violent conflict and wars, the »war on terror«, humanitarian interventions, public opinion, parliamentary scrunity, demobilization of soldiers and lack of qualified personnel in the armed forces.
- Modes of privatising or dissolving and damaging the monopoly on the use of force include outsourcing (commercialization of military functions), hostile takeover (unauthorized non-state actors take over governmental functions), franchising (non-state actors perform quasi-governmental functions on behalf of foreign governments), and friendly takeover (consensus-based access to personal data by IT companies and governments).
- However, the lines between the different types of privatized security are porous.

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Tendencies to Rearrange, Dismantle, Damage, and Destroy the Monopoly on the Use of Force - Causes, Consequences, and Types

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1. THE GROWTH OF PRIVATIZED SECURITY SERVICES

The trend of privatizing different kinds of security services continues, although both critical assessments of the ideology of the neoliberal market economy—a driving force for the growth of private military companies (PMCs)—and the pressure on public budgets due to the global financial crisis have somewhat slowed down the hypertrophic growth rate of the previous two decades. Various tendencies damage the monopoly on the use of force (where it exists) or prevent its emergence, generally through privatization of security services, purposeful or unplanned. As a consequence, the monopoly on force is, de facto, rearranged, dismantled, damaged, or destroyed.

Quite a number of distinct types of privatized (or non-public) provision of security can be observed. Non-state groups and private companies are increasingly engaged in performing traditional functions of the armed forces, police, judiciary, border control, intelligence agencies, and prisons.

Private military companies are engaged in many conflict theaters across the world, with several hundred thousand »contractors« providing services for the armed forces, such as logistics, delivery of mail and food, interrogating prisoners of war, guarding military bases. The United States and other forces make use of such companies particularly in countries like Iraq and Afghanistan, but also in anti-drug campaigns in Latin America and in other conflicts.

Militias, rebel groups, insurgents, or warlords challenge governments in conflict-prone and post-conflict areas, and try to overthrow the government or simply seek to profit from the war economy.

Organized crime, such as drug dealers and human traffickers (often in cooperation with governments or police or military forces), controls certain areas and imposes its »norms« on parts of society as violence entrepreneurs.

Private military/security companies (PMSCs) offer their services to UN agencies (like UNHCR) and non-governmental humanitarian organizations, for guarding refugee camps, assisting vulnerable groups, or protecting supply routes.[1]

Private security companies offer their services in public places (like public transportation and prisons) and private spaces (like shopping malls or gated communities). The contracting agencies are government authorities as well as private organizations and individuals.

Several broad reasons contribute to the growth of such services; the industry's expansion is primarily **demand-motivated**:[2]

(1) The **neoliberal economic** ideology of the »lean state« claims that the market offers more efficient services and the state should therefore withdraw from many of its traditional activities. Deregulation strategies, pursued in the name of market liberalization, have also affected sensitive security areas and have even entered the military context.

(2) **Globalization** and the effects of the global economic system, especially the liberalization of trade, have had positive growth effects but also created economic and social instability and intensified violent conflicts to such an extent that societies, companies, and individuals organize security by their own means.

(3) **Weak states** are not capable of coming anywhere near to establishing a monopoly on the use of force, and thus sometimes prioritize privatized provision of security as an alternative.

(4) **Violent conflicts and wars** (especially resource wars, protection rackets, and predatory forms of control) have become a profitable business – a business model based on violence.

(5) New methods of surveillance introduced in the course of the **»war on terror«** demand specialized personnel and technical inputs from the private sector.

(6) The number of **humanitarian interventions** (from assistance in natural disasters to military interventions in humanitarian guise) has grown, with companies specialized in offering and maintaining such services.

(7) **Public opinion** plays an important role for interventions. Governments find it increasingly difficult to convince their voters to send troops into wars; they prefer to contract military-related services to less publicly visible companies.

(8) Similarly, governments can more easily avoid **parliamentary scrutiny** or circumvent legislative control entirely if they contract private companies or individuals, especially in covert operations, rather than engaging their various government agencies, including intelligence services.

On the **supply side** there are also causes for the delegating of provision of security to non-state actors:

(1) Due to the demobilization of millions of soldiers after the end of the Cold War and other hot wars (for example in the Balkans, Central Asia, Africa) there is an abundance of redundant **qualified fighters** looking for jobs.

(2) The armed forces of many states purchase specialized **modern weapons and equipment** that they cannot deploy, maintain, or repair due to their lack of qualified personnel; these services are outsourced to private companies.

The motives for governments to privatize security services are both political and economic. Most non-state actors are motivated primarily by economic profit. There are, however, also other non-state actors such as community defense groups or vigilantes that pursue primarily political goals.

2. A TYPOLOGY OF MODES OF REARRANGING THE MONOPOLY ON THE USE OF FORCE

I use economic terms to categorize the different forms of privatizing or dissolving and damaging the monopoly on the use of force. This typology consists of four forms, illustrated in Figure 1. The first two types are top-down and bottom-up methods:[3]

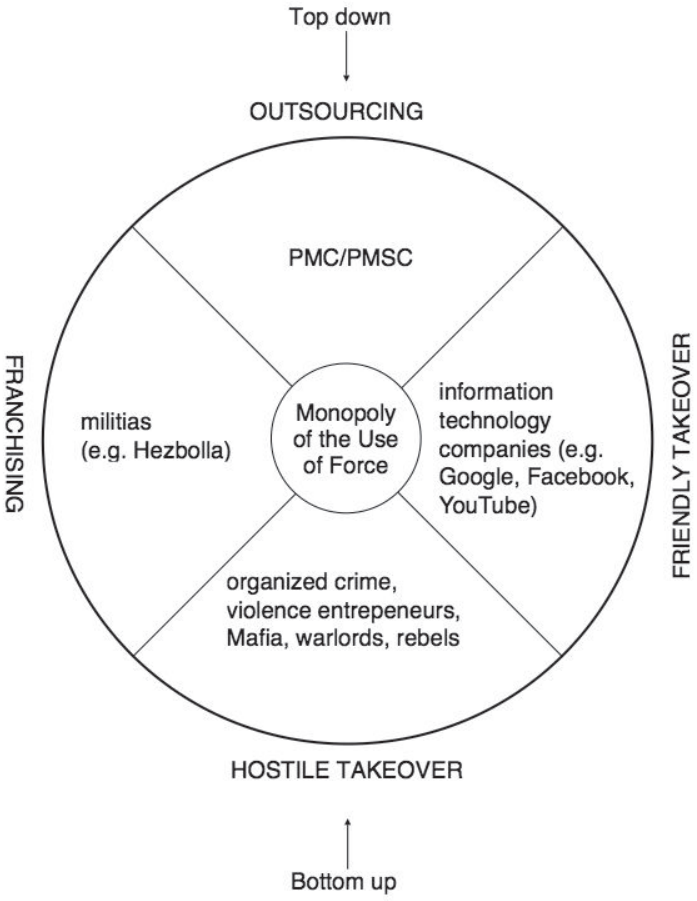
1. **Outsourcing**: This is a business concept where goods or services formerly produced in-house are instead obtained by contract from an outside supplier. This method is primarily used by companies, such as automobile manufacturers that have many of their components produced by other companies. Outsourcing of military functions was introduced during the heyday of the neoliberal economic ideology. The

1 PMCs engage in military services, PMSCs, have a broader portfolio and offer military, police, protection, and other security services.

2 For a detailed account of these reasons, see Herbert Wulf, Internationalizing and Privatizing War and Peace (Basingstoke: Palgrave Macmillan, 2005).

3 Robert Mandel (2001), »The Privatization of Security,« Armed Forces and Society, 28, no. 1, 129–151 uses the terms top-down and bottom-up to characterize privatization by governments and by militias and rebels respectively.

FIGURE 1: TRENDS IN REARRANGEMENT OF THE MONOPOLY ON THE USE OF FORCE



United States (under President George W. Bush) and the United Kingdom (under Prime Minister Tony Blair) have particularly pushed the »outsourcing« agenda into the armed forces.[4] Outsourcing, privatization, and commercialization are common terms for this purposely planned and implemented top-down concept. The aim is to outsource traditional military and other state functions to companies and deregulate them. During 2006 and 2007, when fighting was intense, there may have been more private military contractors than regular US armed forces in Iraq and in Afghanistan.[5] The consequences of this policy for the monopoly on force, for armed forces, and for companies have been publicly discussed in great detail.[6] Often governments and generals have little control over contractors' activities in war theaters. The scandals involving contractors are legion. Scandals aside, even looked at from a strictly economic perspective, the performance of companies has not been as successful as promised by their promoters.

2. **Hostile takeover:** This concept also stems from the business world. At its core is the acquisition of a company or a decisive part of it (the target company) whose management is unwilling to agree to acquisition or merger by another (the acquirer). Non-state actors that use violence for political or economic gain practice this type of bottom-up takeover to obtain control of a state, certain territories, or parts of society. They operate without the authorization of state authorities or against their explicit wishes. These non-state actors, many of which can be classified as violence entrepreneurs and predators, such as militias, rebels, warlords, organized criminals, insurgents, secessionist movements, or gangs, often create situations of insidious insecurity or exploit existing instability in areas where governments have little or no territorial control. Occasionally, however, when they gain control, they offer

4 A forerunner to this trend in the United Kingdom was Margaret Thatcher's drive to privatize the defense industry and defense research.

5 United States General Accounting Office, »Military Operations: Background Screenings of Contractor Employees Supporting Deployed Forces May Lack Critical Information, but U.S. Forces Take Steps to Mitigate the Risk Contractors May Pose.« September 22, 2006 http://www. gao.gov/new.items/d06999r.pdf. United States General Accounting Office, »Improved Management and Oversight Needed to Better Control DOD's Acquisition of Services.« GAO-07-832T, 2007 http://www.gao.gov/new.items/d07832t.pdf.

6 Peter Singer, Corporate Warriors: The Rise of the Privatized Military Industry (Ithaca: Cornell University Press, 2003); Deborah D. Avant, The Market for Force: The Consequences of Privatizing Security (Cambridge: Cambridge University Press, 2005). Andrew Alexandra, Deane-Peter Baker, and Marina Caparini, eds., Private Military and Security Companies: Ethics, Policies and Civil-Military Relations (London: Routledge, 2008).

some kind of security under their own terms.[7]

3. **Franchising:** Franchising is a common practice in business, involving licensing the right to use a firm's brand or business model.[8] A typical example is McDonald's. States and non-state actors should not always be seen as dichotomous entities. Government agencies are occasionally accomplices in enabling non-state actors to perform quasi-governmental functions, especially in stateless territories. Hezbollah, assisted by the Syrian government, pursues Syrian interests in Lebanon.[9] Kurdish Peshmerga fighters receive weaponry from the German government, enabling them to fight the Islamic State in order to gain control in the contested territory of northern Iraq. Other groups like the Janjaweed militia operated in Darfur with the consent of the Sudanese government. Right-wing military and police groups in Colombia and Mexico are accomplices of drug dealers in terrorizing parts of the country. The Reagan Administration used Contras in Nicaragua to destabilize the Sandinista government. In this category of franchising one can also include such activities as the Pakistani Secret Service ISI's assistance to the Taliban in Afghanistan or the CIA assistance of the Mujahideen, also in Afghanistan. The idea here is that powerful groups in instable societies where the rule of law is weak or non-existent act with the assistance of outside governments or as their proxies, in both their own interest and that of the outside government. In contrast to the bottom-up »hostile takeover« mode, »franchising« groups usually act with at least the consent and often the support and backing of a government. And in contrast to top-down »outsourcing,« the »franchising« groups act (within the limits of the »franchising contract«) at their own risk. It is important to stress that occasionally the political patron (the franchising government) remains concealed. The US government, for example, did not want to be seen as the promoter of the Contras in Nicaragua, neither internationally nor domestically, nor be formally responsible. On the contrary, it was a covert operation where Washington insisted on what was called »plausible deniability.« The long-term consequences of government support to such groups are often unpredictable. Instances where situations got out of control include the above-mentioned examples of the Mujahideen, the Taliban, the Contras, and militias in Latin America. Almost all of these types of initiatives had long-term effects that were out of the control of the sponsoring government
.

4. **Friendly takeover:** In the business world, the management of a company may agree to an acquisition. In contrast to a hostile takeover, this is a consensus-based takeover or merger. Similar trends can be observed in the area of access to personal data and surveillance of peoples' movements. In contrast to the previous three types, which focused on the means, the actors, and the application of direct violence, this fourth type is much softer and could possibly be compared with Johan Galtung's famous concept of structural violence. Technological developments, particularly in information technology, have drastically changed individual and social behavior. The internet and especially the social networks allow deep insights into our data, including contacts to other people and institutions, consumer patterns, financial transactions, and movement profiles. Largely through our own behavior, we allow private companies, such as Facebook, Twitter, YouTube, Amazon and so on, to make use of our personal data. The consensus-based friendly takeover of large parts of our privacy encroaches on civil liberties and gives governments and their intelligence agencies previously unknown means of control and observation. This »spying on yourself« will give enormous coercive and surveillance powers to governments and opens up entirely new opportunities for companies to undermine and for governments to misuse the monopoly on the use of force.

The boundaries within this typology are by no means as sharp as the four slices of the »cake« in Figure 1 might suggest. Warlords in Afghanistan, for example, clearly located in the »hostile takeover« slice, turned themselves into Private Military Companies or Private Military and Security Companies and successfully offered their services to ISAF forces and the Kabul government, thus moving into the »outsourcing« slice and in some cases actually becoming part of government. In what category do the separatists in the eastern Ukraine belong? They seem to fit the »hostile takeover« case, yet at the same time they are also acting in the geopolitical interest of and with assistance from Russia and would thus belong in the »franchising« part. Is Boko Haram in Nigeria still in the bottom-up »hostile takeover« segment or are they already a proto-state or acting on behalf of external powers? Similar questions can be asked regarding Abu Sajaf in the Philippines. Do they gain quasi-governmental control over territories? To what category does al-Shabaab in Somalia belong? The lines between the different types of privatized security are porous.

7 Andreas Mehler, »Peace and Power-Sharing in Africa,« African Affairs, no. 108 (2009), 453–73, uses the term »oligopolies of violence« and points out that power-sharing is often practiced between governments and non-governmental actors or among different non-governmental actors.

8 Rouzbeh Parsi introduced the term franchising during the Singapore Reflection Group meeting.

9 Eboe Hutchful mentions this example and others in his draft paper for the Reflection Group meeting in Singapore.

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REFLECTION GROUP MONOPOLY ON THE USE OF FORCE

The Reflection Group "Monopoly on the use of force 2.0?« is a global dialogue initiative to raise awareness and discuss policy options for the concept of the monopoly for the use of force. Far from being a merely academic concern, this concept, at least theoretically and legally remains at the heart of the current international security order. However it is faced with a variety of grave challenges and hardly seems to reflect realities on the ground in various regions around the globe anymore. For more information about the work of the reflection group and its members please visit: http://www.fes.de/GPol/en/security_policy.htm

THINK PIECES OF THE "REFLECTION GROUP MONOPOLY ON THE USE OF FORCE 2.0?"

The Think Pieces serve a dual purpose: On the one hand they provide points of reference for the deliberations of the reflection group and feed into the final report of the group in 2016. On the other hand they are made available publicly to provide interested scholars, politicians and practitioners with an insight into the different positions and debates of the group and provide food for thought for related discussions and initiatives worldwide. In this sense they both reflect "thinking« about the topic within the group as well as hopefully stimulate thinking on the topic beyond it.

The Think Pieces are not required to fulfill strict academic requirements and are not thematically peer-reviewed by FES. To the contrary they shall provide an unfiltered insight into the respective author's arguments and thoughts. Accordingly, the authors are free to further develop their arguments and publish academic articles based on these arguments or containing elements of them in academic journals, edited volumes or other formats.

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