



Private Military Firms

The First Four Thousand Years

The History of Terrorism
as a Strategy of Political
Insurgency

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Private Military Firms

discussion is based on the book Corporate Warriors: The Rise of the Privatized Military Industry
by PW Singer

Who should legally be allowed to engage in violence and war?

- Is it a sovereign nation right or can Private Firms also wage war?

Can Private Military firms accomplish things national armies cannot?

Should war be outsourced? If so, what functions?

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Teaching Tip: Use this slide to start to get the students used to the terms Private Military Firms. Bring in some discussion on the fact that the Government as the sole provider of soldiers is a relatively new and incomplete reality.

P.W Singer organizes his discussion into three parts; the rise; organization and operations; and the implications. I will use his format, but will be adding views from other sources and will try and note them as I go along. I will also juggle sections to help the flow of the discussion.

A key starting point on the discussion is to note that the public monopoly on violence and military organization is historically relatively new, and has never been complete. It also may be in for a period of steady decline. While I would expect major nation states to always have a public military, and for it to be its principle military source, I would not be surprised at all to see smaller nations to follow the Vatican's lead and outsource the function completely.

A second major point is that Private Military Forces (PMFs) can do things publicly supported military forces often cannot. They can respond in areas where a publicly funded force maybe constrained to operate for both domestic and international political reasons. These constraints may exist for both nation states and for international organizations, such as the UN. They may also possess specialized skills or capabilities a nation may not have developed for its own forces, but need to use

for some reason.

A third point is that the outsourcing trend, both in the private and public sphere, has been very strong for several decades and there is no reason to think the largest public expenditures, such as military's can be, would be spared.

Lastly, just for context, think about how the world works with the example of the provision of drones for unmanned military flight. A private company can develop the drone, and train the public soldier. Or the private company can provide the military with a trained private operator, who may in turn have been previously trained by the company when he or she was a public soldier. Certainly, in situations where a country needed to expand its capabilities quickly, this re-employment of a former soldier now in the private sector may make quite a bit of sense. And maybe if it makes sense sometimes, it would make sense all the time, especially with the rate of technical change occurring in some segments of the military industry.

What is the fundamental role of Government in a society?

What are Public Goods?

Can/Should Private Firms provide Public Services?

Where should Public/Private partnerships be used?

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Teaching Tip: here we just really want to start the students in low level debates on the role of government. Ask them about the governments role in trash collecting, health care, education, etc. Discuss the role of the market, and where things can get blurry. Should the government collect trash? Why? Should Public Schools exist? Why? What about Police? What is the role of government?

What is the role of Government? Should it be a cradle to grave welfare state, with the government maintaining minimum living standards? Should it be to just print the money and defend the borders, so a nation of rugged individualists can duke it out in an evolutionary miasma? Should the role of government be somewhere in between the two points?

How do we traditionally differentiate between the public and private sectors?

Traditional distinctions center on:

- Sources of funds
- Nature of the relationship between the user and provider
- Employment status of the providers

Public services are funded through taxation. Private services are funded through the consumers' choice to spend their money on goods or services provided by profit motivated sources.

Government can provide or outsource certain functions

- Health care
- Trash collection
- Education
- Utilities
- police

Private firms can choose to augment or supply many of the same services.

In the US and the Western countries, often military R&D has been both private and publically funded. The Manhattan project, and its peace time successors involving the nuclear industry and the “Atoms for Peace” programs, represents a transition from a public (although secret) project, to a Public-Private partnership. The private sectors supply of war materials, equipments, weapons, etc., has a long tradition, and is in fact primarily a private sector activity.

What services does an Army need to function?

Who Provides

- Tools – guns and tanks
- Services - troops
- Logistics – re-supply
- Training – both boot camp and high tech
- Intelligence and Information – satellite imagery

And do different organizations have different requirements?

- Sovereign states
- Businesses
- NGOs

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It is in the service side that we see much of the current interest and concern.

To qualify this a bit more, consider the range of services an army needs, and who is most cost effective at providing them. Is it cheaper to train a US soldier, to pay him and provide for him, and to assign him latrine duties, or is it cheaper to hire a local to clean the toilets? Clearly, losing the services of a highly skilled, highly trained, soldier in order to maintain a clean shower in a 3rd world country with abundant cheap labor does not sound like a good plan, so it is often outsourced. And we might as well outsource lunch too.

Porters carried much of Great Britain's army supplies around Southeast Asia in the 18th, 19th, and 20th century, and that outsourcing of services seems logical. Why pay an Englishman wages, and transport him on costly ships, to tote boxes around when there are millions of willing porters, already located there, who will work for a fraction of the price? And it certainly is faster to deploy when all you have to do is move the troops and their crap.

What about trainers? Should highly skilled military trainers who retire be rehired as consultants/trainers for brief periods as required? What about satellite imagery? Should we buy imagery from private companies? Can Fed Ex be used to transport equipment to Afghanistan? What if you absolutely need delivery by 10 AM tomorrow (to most locations)?

And who are typically the customers for modern PMFs?

-States

-Multinational businesses

-NGOs

Why were there Private Armies throughout much of history?

Characteristics of Organized Units

- Regional/Ethnic affiliation is common
- Can be organized as joint ventures
- Used contracts, characteristics of trade unions and guilds
- Most active during periods of great change – political, social, economic (100 years war)
- They are in it for a profit
- Technical advances in weapons creates opportunity for specialization

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Private Military Forces in History

The existence of private military forces, mercenaries and companies for hire, is the norm in human history. Prior to the emergence of nation states, war was remarkably executed by primarily private, for profit enterprises. The state monopoly on violence is really the historical exception, and it is in decline.

The lone mercenary, roguish, unshaven, and romanticized as evil or misunderstood, depending on who wrote the screenplay, is widely understood. Someone gives him money, and he fights other people.

The use of hired companies seems new and that is where we want to open up the discussion on how common they really were throughout history.

Large, organized groups of violent actors have the advantage of scale. They can do more violence, faster than individuals. They can offer security to the individual. A large violence capable group can extract money and materials from local populations. They can travel with less interference. The skills required for people to join the group can vary from time to time and group to group, but this is an area where we saw very early historical specialization of labor.

Singer states the first reference to the use of mercenaries was in 2000 BC with King Shugli of Ur the employer. At the Battle of Kadish in 1294 BC, the Egyptians used

units of hired Namibians. David (of David and Goliath fame) worked for the Philistines while on the run from Saul.

Greek states, while having citizen armies, often augmented those armies with specialists.

- Cretan Slingers
- Syracusan Hoplites
- Macedonians
- Phoenician navies

Carthage relied almost exclusively on hired armies, and that worked out ok until Rome captured the silver mines in Spain that Carthage used to pay these armies during the 2nd Punic War.

Rome itself, as the empire grew, would hire more and more foreign troops until by the end of the 3rd century that military was more Germanic than Roman.

This contracted military would continue and the specialization would also continue through the middle ages. Learning to use a cross bow took time, and it was easier to hire someone already proficient. When hired armies consistently beat larger local forces this point was reinforced.

The same would be true for early cannons and other new technologies. There was also an interest in the Rulers of the day to not train their subjects too well in war, lest it got turned back on them.

Free Lance soldiers forming free companies negotiated contracted rates, performance requirements and profit sharing. Ransoming prisoners was also a benefit, and it did tend to drag out battles as the only good enemy, was one who was alive and had family to pay ransom for. They were often organized along regional or cultural lines. Swiss mercenaries organized entire companies and fought for foreign leaders (including the predecessors to the Swiss Guard, who have protected the Pope since 1502).

Why did National Armies appear

The main reason was the emergence of nation states,
but other factors

- Technology advanced to the point where specialized skills were less in play. Muskets were far easier to train an army in than were cross bows.
- As more industrialization occurred, more mass production of such weapons occurred, enabling more modern war concepts such as massed firepower to develop.
- Early industrialization created more wealth and surplus, allowing larger armies to be maintained.
- And while rulers may have been less safe with national armies, the state was more safe

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As European society moved from the Feudal era to one more characteristic of the coming commercial era, trading companies began to employ more private military forces. In general this was seen as less disruptive to society. And again, it was seen as a safer strategy for rulers to not train their subjects in skills that could be turned against them.

Accelerating the whole phenomenon were events like the 100 years war.

As a result of the constant strife and turmoil, some of these private armies became quite large and powerful.

-The Grand Catalan Company, originally of Spain, ruled Athens for 60 years.

-From 1338 to 1358, the Great Company, 10,000 troops strong, ran what was essentially a protection racket throughout Italy.

-Count Albrecht Von Wallenstein fielded between 30,000 and 100,000 hired troops for the Hapsburg Emperor during the 30 years war, until his authority became too great and Emperor Ferdinand had him assassinated.

Around the 15th century, we see some of the larger armies go on a full time payroll with certain states. In some states, such as France, they would eventually move from an irregularly hired army, to a private standing army, to a national standing army.

And although the 30 years war was fought almost entirely by hired armies, the Treaty

of Westphalia ensured preminent emergence of nation states and national sovereignty. As wars between kings became wars between peoples, nations restricted their citizens' right to hire themselves out, and citizen armies came into vogue.

One interesting development following the rise of national armies was the tendency of rulers to see them as a source of income. For example, the Hessians the British used in North America were part of a national army rented from its ruler. So in effect, these "public firms" became competitors to the private military firms. It is also emphasized that national armies continued to employ large numbers of foreigners, when required.

Charter companies, such as the British East India Company are also worth noting. These companies typically received a license from their home country to develop trade in a specific region. Protecting the development of these trade monopolies was very cost effective. If a local ruler did not want to trade, sending in troops opened up the area. As local governments collapsed in the face of these companies, they assumed significant, quasi state status and administered these areas. And they were not always obedient to their home state. When England wanted to keep Portugal friendly and order the British East India Company to be nice, and the British East India Company wanted trade concessions in areas controlled by Portugal, the British company sank Portugal's navy in the area. The profits were just too good to pass up. These companies also fought wars at their own discretion. At its height, the company had 100,000 men in its military, far more than Britain had in its national army. They eventually drove the French and Dutch East India Companies out of India.

The Thirty Years War

(1618 to 1648)

This war was fought by:

- -Hired Armies
- -Who Lived off the land (the mostly foreign mercenaries lived a lot harder off the land)
- -And was about Religion
- -But was really also about nation states taking some ground
- -And fought mainly in Germany



THE THIRTY YEARS' WAR

- Country or area with a Protestant majority
- Habsburg Spain
- Habsburg Austria
- 1 1620-1623: Defeat of the Czechs and the Electoral Palatinate
- 2 1625-1629: Intervention and defeat of Christian IV of Denmark
- 3 1630-1632: Intervention of Gustavus Adolphus of Sweden
- 4 1625: Intervention of France against Spain and the Empire
1642: Occupation of Rouen/Paris
1642: French victory at the Battle of Rocroi
- 5 1645-1648: Turenne and Sweden's campaign in Germany

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Teaching tip – I just like maps so I try to slip them in – point out that this was a rough war, and that after Nation States began to emerge, there is a reasonable chance that this war model felt a bit outdated, or just not a good idea in general. Do try and show the various sweeping attacks all over the place

A brief time out to talk about the 30 years war (1618 to 1648)!

Now keep in mind this war was fought by:

- Hired Armies
- Who Lived off the land (the mostly foreign mercenaries lived a lot harder off the land)
- And was about Religion
- But was really also about nation states taking some ground
- And fought mainly in Germany

The historian Langer claims that Sweden alone destroyed 2000 castles, 18,000 villages and 1500 towns in Germany. If his figures are accurate, the number of towns destroyed represented one-third of all German towns.

The point I really want to make is this thing was brutal. The population of Germany was 15 million in 1600 and down to 10 million by 1650. It was just a terrible war. And that does provide motivation to do things differently for nation states, maybe. I

could be just reaching, but if said with enough authority, maybe it will fly and become part of conventional wisdom. Either way, I doubt anyone will fact check it, and I like maps.

- What conditions favor PMF Activity?
- When Quality matters more than Quantity
- When a mass demobilization of forces occurs in one region, it increases the supply available, and this in turn makes them more cost effective in other regions,
- Areas with weak governance create opportunities for PMFs
- There are also frequent linkages between PMFs and other business ventures. When aligned well, both can see increased profits.

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Modern Mercenaries

- Foreign – not a citizen or resident of the combat zone
- Independent - short term, not integrated into national force, limited contract
- Motivation – individual short term economic gain
- Recruitment – circuitous methods to avoid legal issues
- Organization – temporary ad hoc groupings of individual soldiers
- Service – just combat

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Modern Mercenaries

The Treaty of Westphalia caused a decline in organized, early military firms, but it did not stop private for hire soldiers. Social norms also tended to marginalize the job, creating a climate in where it seemed disreputable. And it was! In the Kosovo liberation war, if you fought for the KLA, you were paid up to \$4,000 a month. If you fought for the Serbs, you could loot as much as you wanted (after all, the war was in Kosovo).

What makes a mercenary according to Singer? What makes them different from other combatants?

- Foreign – not a citizen or resident of the combat zone
- Independent - short term, not integrated into national force, limited contract
- Motivation – individual short term economic gain
- Recruitment – circuitous methods to avoid legal issues
- Organization – temporary ad hoc groupings of individual soldiers
- Service – just combat

What Are the Characteristics of a Modern PMF

- Organization – corporate structure
- Motivation – Corporate profit rather than individual profit.
- Open Market – Legal, public entities
- Service – wider range, varied clientele
- Recruitment – public for specialized tasks
- Linkage – ties to corporate holdings and financial markets

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Teaching Tip – the next four slides really should be in section 2, but I think there maybe some advantage in reviewing them here anyway – just sort of warm up the students collective brains. This is probably more valid if you are going to end a class and give them a few days to mull it over, if they are the mulling kind. You might even task them to bring an article back to the next class for discussion (anything to get them talking!).

How are Modern Private Military Firms different?

Organization – corporate structure

Motivation – Corporate profit rather than individual profit.

Open Market – Legal, public entities

Service – wider range, varied clientele

Recruitment – public for specialized tasks

Linkage – ties to corporate holdings and financial markets

The Economics of PMFs

Increased Supply Of War Materials

- Equipment
- Labor

Markets

- Internal conflict
- Cross Border Conflict
- Internationalized customers – Corporations, NGOs

Consumers

Competition

- Increased in Private Competition
- Decrease in Public Competition

Weak sovereign states are a major causal factor in the rise of PMFs

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Chapter 4 – why security has been privatized

1989 was an epic year for the world, the year the Soviet Empire collapsed in on itself, and the Cold War ended. With the end of the Cold war, the existing global order of the last 45 years also ended. While some hoped the UN would expand its role and fill any gaps, the reality turned out to be much different.

Increased Supply of War Materials

Labor - Some key changes included the massive de-mobilization of national armies, with 7 million fewer troops in the military in 2004 as compared to 1989. In terms of pure economics, the supply of trained military (and KGB) men expanded past the market clearing point at that time. In a number of situations, entire elite units were decommissioned and then incorporated as PMFs with their unit structure intact

Equipments – Massive amounts of weaponry was released onto the free market following the collapse of the Soviet Union. One example involved the reunification of Germany. When united, the Germans did not want to keep the older East German weapons. Integrating different armor, ships, planes etc., was a costly exercise, so it was easier to just sell them off. In this great “Everything Must GO” sales extravaganza Missile boats for \$200,000. Want a tank? \$40,000 and you can drive it off the lot today! Light weapons such as machine guns could be had for \$60. Light weapons alone are estimated to have killed 2 million people in West Africa in the early 1990 conflicts.

Markets

With the end of the Cold war there was significant growth in markets.

- Internal Wars
- Cross border wars
- Globalization of international Markets

Internal wars increased - Client states which relied on superpower aid suffered a serious loss of income, and saw a decrease in their ability to fill all the bureaucratic functions of a modern state. The weakest of these, such as Sierra Leone, Somalia and increasing Yemen, simply fell apart. Other states, such as Mexico, see their internal bad actors so well armed that they can actively thwart the state, and limit its authority within its own borders.

Cross border wars increased - Conflicts across borders increased as former client states of the superpowers no longer had the same set of restraints placed on them by their patrons.

Globalization of markets has led to intense competition, from which the weak states have suffered, and from which their weakest populations have suffered. Something as simple as the fishing industry, as it globalized, destroyed many subsistent level fisherman on coastal regions in Africa, who in turn used Bush Meat to replace the protein loss.

With poverty comes wars (and child soldiers) and disease follows armies (HIV).

Consumers

The customers of PMFs include despots, revolutionaries, the Red Cross, transnational groups, the UN, major Corporations, the United States, and just about every internationally active actor you can think of.

From the perspective of an aid agency, when they start to fill the void left by weak or dissolved state apparatuses, they may need to bring security with them. For international corporations, protecting an oil line almost always involves some private, often heavily equipped, security force. For the UN, it is easier to hire a force than to get its members to provide them.

For the US, after the Blackhawk down incident in which US soldier corpses were dragged through the street, on live TV, the political will to commit US troops is small in discretionary conflict. In addition to this, the outsourcing of significant logistics functions following the 60% post Cold War troop demobilization, has led to a major market developing in food, transport, housing, latrine cleaning, etc., for private firms. Both the withdrawal of the US from discretionary conflict, and the reduction of direct

public provision of services to these markets create opportunities for PMFs by reducing the public sector competition.

And I am not sure how often or how to talk about this enough, but really it is the reversal of that trends often associated with modern states, specifically the decline in the states sovereign roles, that creates the opportunity – and I would expect sovereignty to continue to decline in ALL modern states.

Market Segments

Military Provider Firms

Military Consultant Firms

Military Support Firms

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Market Segments

There are three general market segments PMFs provide services to.

- Military Provider Firms
- Military Consultant Firms
- Military Support Firms

Not all PMFs operate in all segments, but they exist in the context of their proximity to the battlefield.

“Tip of the spear” Military Provider Firms provide troops and materials for frontline operations. Sometimes they provide full units, sometimes specialists in certain areas (Combat pilots) referred to as “force multipliers”. They also can provide the equipment (need a fighter wing?), services such as mechanics, and tactical experience in the form of commanders. Typical clients have low military capabilities, and maybe faced with immediate high threat situations.

Military Consultant Firms provide advisory and training services to a specific operation or to the structure of a client forces. Their consultation may re-engineer the force. The advantage of using this type of firm is they can bring a significantly higher level of expertise and experience to the assignment. A typical assignment may involve how to recapture and secure an area currently held by an enemy force.

Theoretically, they will not follow their clients into the battlefield, but every once and awhile, what the heck, they let the inner mercenary out.

Military Support Firms

Best described as non-lethal aid and assistance, these privatized functions include logistics, intelligence, technical support, transportation, etc. These are the guys who cook the food, build the camp, dig the latrines, and in some case do the airborne refueling of combat planes. They can provide long term support for long campaigns, allowing public sector military forces to surge or expand operations as needed.

The Future of PMFs



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It is Bright and Shiny! Get used to them, they are here to stay.

Additional Reading

P.W. Singer

- [Corporate Warriors: the Rise of the Private Militarized Firm](#)

Robert Young Pelton

- [Licensed to Kill: Hired Guns in the War on Terror](#)

Mark Bowden

- [Blackhawk Down: A Story of Modern Warfare](#)

Colonel Thomas X. Hammes, USMC

- [The Sling and the Stone: On War in the 21st Century](#)

And on the internet

- [Patriots for Profit: The Rise of the Corporate Warrior](#)
http://hammer.ucla.edu/programs/detail/program_id/376

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This and the following Power point are almost all based Singer's book. His study I just excellent, well organized and insightful. I did try to emphasize more of the "economics lesson" on supply and demand on some slides, for better or for worse.

Pelton's book is also really good. He is sort of a vagabond adventurer journalist, and spent a considerable amount of time on the ground with contractors in hostile zones. He brings a non-military insight to the business, and is an excellent writer.

Blackhawk Down was a movie I saw and thought was ok, but not good enough to make me want to read the book. Then I read the book. Great book, and it really explained a lot.

I have a section on Hammes books, so you know I am a fan.

And on the internet I found a great discussion on the contractor business, featuring two short talks by Pelton and Hammes, followed by a discussion between the two. I maybe boring but this was really interesting, especially since two guys from very different backgrounds end up in much the same space on the issue.



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- USPSA MATCHES
- HIGH POWERED RIFLE MATCHES



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