2012-05-09

Buying Decline: The Privatization of Foreign Intervention

Martha D. Beutel
University of Miami, beutel@umiami.edu

Follow this and additional works at: https://scholarlyrepository.miami.edu/oa_dissertations

Recommended Citation
https://scholarlyrepository.miami.edu/oa_dissertations/791

This Embargoed is brought to you for free and open access by the Electronic Theses and Dissertations at Scholarly Repository. It has been accepted for inclusion in Open Access Dissertations by an authorized administrator of Scholarly Repository. For more information, please contact repository.library@miami.edu.
UNIVERSITY OF MIAMI

BUYING DECLINE: THE PRIVATIZATION OF FOREIGN INTERVENTION

By

Martha D. Beutel

A DISSERTATION

Submitted to the Faculty
of the University of Miami
in partial fulfillment of the requirements for
the degree of Doctor of Philosophy

Coral Gables, Florida
May 2012
UNIVERSITY OF MIAMI

A dissertation submitted in partial fulfillment of
the requirements for the degree of
Doctor of Philosophy

BUYING DECLINE: THE PRIVATIZATION OF FOREIGN INTERVENTION

Martha D. Beutel

Approved:

Roger Kanet, Ph.D.
Professor of International Studies

Terri A. Scandura, Ph.D.
Dean of the Graduate School

Bruce Bagley, Ph.D.
Professor of International Studies

Ambler Moss, J.D.
Professor of International Studies

Brad McGuinn, Ph.D.
Professor of Political Science
Recent experiences in Africa and Eastern Europe indicate that private security can be a useful tool for building state capacity. Since the end of the Cold War, private security has been extensively utilized by states. Those that specialize in personal and site protection which include mainstream military tasks, such as transportation, intelligence gathering, medical skills, logistical support, and even direct combat involvement. This dissertation contributes to the current body of knowledge by examining the consequences of the use of private force to enhance state capacity in four contemporary cases in which the United States government has undertaken state-building operations. The objective of this research is to determine under what conditions, if any, private security companies (PSCs) build state capacity. This study seeks to clarify the consequences of privatizing security in specific cases of foreign intervention where institution-building by the sender state is a key objective.
This work is dedicated to Helmuth K. Beutel. Thanks, Dad.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIST OF FIGURES</td>
<td>vii</td>
</tr>
<tr>
<td>LIST OF TABLES</td>
<td>viii</td>
</tr>
<tr>
<td>1: ON THE STUDY OF PSCS</td>
<td>1</td>
</tr>
<tr>
<td>1.1 Overview of Study</td>
<td>1</td>
</tr>
<tr>
<td>1.2 Methodology</td>
<td>7</td>
</tr>
<tr>
<td>1.2.1 Methods Overview:</td>
<td>8</td>
</tr>
<tr>
<td>1.2.2 Case Studies: Bosnia, Croatia, and Afghanistan. Lessons Learned: Iraq</td>
<td>10</td>
</tr>
<tr>
<td>1.2.3. PSCs in question</td>
<td>14</td>
</tr>
<tr>
<td>1.2.4 Methodological Techniques:</td>
<td>15</td>
</tr>
<tr>
<td>1.3 Predicted Findings</td>
<td>16</td>
</tr>
<tr>
<td>1.4 Conclusion</td>
<td>19</td>
</tr>
<tr>
<td>2: BUILDING THE PRIVATE STATE</td>
<td>20</td>
</tr>
<tr>
<td>2.1 Private Security Companies</td>
<td>20</td>
</tr>
<tr>
<td>2.2 State Capacity</td>
<td>27</td>
</tr>
<tr>
<td>2.2 States’ Use of Private Force</td>
<td>35</td>
</tr>
<tr>
<td>2.3 The United States and its Affair with Private Force</td>
<td>44</td>
</tr>
<tr>
<td>2.4 Conclusion</td>
<td>52</td>
</tr>
<tr>
<td>3: TILLY’S TALLY ON PRIVATE SECURITY</td>
<td>54</td>
</tr>
<tr>
<td>3.1 The Privatization of Force, Past and Present</td>
<td>54</td>
</tr>
<tr>
<td>3.2 Tilly’s Framework for European Warfare</td>
<td>63</td>
</tr>
<tr>
<td>3.3 The Nationalization of Force</td>
<td>67</td>
</tr>
<tr>
<td>3.4 Changes in Security Culture</td>
<td>72</td>
</tr>
<tr>
<td>3.5 Conclusion</td>
<td>75</td>
</tr>
<tr>
<td>4: CASE STUDY OF CROATIA: TO TRAIN AN ARMY</td>
<td>77</td>
</tr>
<tr>
<td>4.1Introductory Remarks</td>
<td>77</td>
</tr>
</tbody>
</table>
6.4 Conclusion ......................................................................................................................... 228

7: SUMMARY, FINDINGS, AND LOOKING FORWARD: APPLYING THE LESSONS LEARNED TO IRAQ ................................................................. 231

7.1 The Case Studies ........................................................................................................... 231

7.2 The Actions of States ................................................................................................. 233

7.2.1 Was the PSC Intentionally Deployed? .................................................................... 233

   Overall findings for 7.2.1: ......................................................................................... 243

7.2.2 The Effect on Capacity ......................................................................................... 244

   Overall findings for 7.2: ............................................................................................. 262

7.3 The Actions of the Private Firm .................................................................................. 263

7.3.1 Did the PSC build institutions? ............................................................................ 263

   Overall findings for 7.3.1: ......................................................................................... 274

7.3.2 Was the PSC Subject to the Rule of Law? ............................................................... 275

   Overall findings for 7.3.2: ......................................................................................... 286

7.3.3 Was the PSC viewed as legitimate by the Population? ........................................ 287

   Overall findings for 7.3.3: ......................................................................................... 292

   Overall findings for 7.3: ............................................................................................. 293

7.4 Expected and Actual Results ..................................................................................... 294

8: CONCLUSION .................................................................................................................. 299

8.1 The Historical Implications of Private Force ............................................................... 299

8.2 Private Security Firms ............................................................................................... 302

8.3 The Overview: Scope and Results ............................................................................ 306

8.4 Concluding Thoughts ............................................................................................... 310

WORKS CITED ..................................................................................................................... 320
LIST OF FIGURES

Figure 3.1 United States Troop Count 1985 - 2005 .......................................................... 57
Figure 3.2 United Kingdom Troop Count 1991 – 2005.................................................... 57
Figure 6.1  Amount of money spent by US on Afghanistan from 2002 to 2010.......... 175
Figure 8.1 Percentage contractors as part of United States force. ................................. 306
LIST OF TABLES

Table 1.1 Expected Findings

Table 3.1 Charles Tilly’s Four Stages of European History

Table 5.1 Equipment Donations to the Train and Equip Program

Table 5.2 US Army Corps of Engineers Explains LOGCAP Duties

Table 5.3 Incremental Costs of Peacekeeping and Security Contingency Operations

Table 6.1 USAID Successes 2002 – 2007

Table 6.2 Percent of Capable Afghan National Police Units in 2008

Table 7.1: Expected Findings of Study

Table 7.2 Actual Findings of Study
Chapter 1: On the Study of PSCs

_Leave no authority existing not responsible to the people._

_Thomas Jefferson_

1.1 Overview of Study

The mercenaries of the past have been transformed and renamed private security companies (PSCs).¹ Privatized security has existed as an available service from at least the time of ancient Rome through the modern day, across the many cultures of political history.² Formal outsourcing of military power was, de facto, customary in historical contexts. This claim is supported both by noting primitive mercenary structures such as the knights of the medieval period, as well as the formalized purchasing of force from one state by another state in the colonial age (Thomson 1994, 19). Early outsourcing of military power was not utilized simply for the active violence of warfare but also for policing and revenue collecting (taxation) (Avant, Think Again: Mercenaries 2004). Private security was used to maintain the security of territory as well as to secure the means of income.

---

¹ The proper vernacular for these firms is still a matter of contention. David Shearer and Tim Spicer use the term PMC to refer to all firms involved in the outsourcing of force. Peter W. Singer uses the term PMF – privatized military firm – to denote “business organizations that trade in professional services intricately linked to warfare. They are corporate bodies that specialize in the provision of military skills...” (Singer, 8.) Deborah Avant uses PSC – private security company – to “more aptly describes the whole range of services these companies provide...” (Avant, 2) Using the term mercenary does not capture the complexities of these firms, nor the modern normative controls which are placed upon them (market factors, hiring from the national (and patriotic) militaries, etc) and, as such, will not be used. Rather than enter into the debate on terminology, I will use the term PSC to encompass the field of firms that support the United States military deployments. Avant’s quote about the term mercenary could apply to the PMC/PMF/PSC debate as well: “The fact that what ‘mercenary’ refers to has changed over time is interesting for what it tells analysts about the shifts in what are considered legitimate uses of force, but makes the word less useful as an analytical term.” (Avant, 23)

Warfare itself has changed in recent decades; civilian involvement in warfare has increased. This is only partly due to private security. Terrorism and drug trafficking are only two examples of civilians in conflict zones. While non-legitimate transnational actors (such as terrorists or organized criminals) are the most extreme examples of civilian-driven violence, the privatization of warfare is also present at the state level. In the developing world, this has been demonstrated by ethnic conflicts and civil unrest. In the developed world, this amplification of civilian involvement is shown through the increase of private security. Since the end of the Cold War, the use of private force has been used as a foreign policy tool to assist with state-building. This accelerated growth increased further during the eight years of George W. Bush’s administration.

The use of PSCs can contribute to the capacity of a state. State capacity is the ability of the state to create and execute strategies in order to achieve economic, social, and military goals in its demarcated territory. For the purposes of this dissertation, the main indicators of state capacity are the state’s ability to control governance effectively (both by maintaining an operational government and preventing the rise of challengers), the ability to administer justice, and the ability to provide basic services to the population of the state. There are clearly other aspects of state capacity that are vitally important such as the responsibility to protect citizens, collect taxes, mitigate natural disasters, and interaction in the international arena. Since this dissertation focuses on building state capacity through the use of private forces in and after cases of extreme conflict, a minimalist definition of state capacity will suffice.
I argue that the use of PSCs in foreign interventions can have a positive effect on the capacity of a host state under specific conditions listed below. Not all of these criteria are necessary, but the more that are achieved should increase the potential for a rise in state capacity.

1) **PSCs build institutions.** PSCs must contribute to building institutional capabilities rather than merely replacing government personnel and carrying out functions that traditionally belong to the state. Private firms can regain control of territory and train militaries for the host state, but when privatized forces simply replace the national military, state capacity will decline. Institution-building is the most essential criterion for private security to successfully assist in increasing state capacity.

2) **PSC’s tasks add value to the state or contribute to an effective founding of the host state.** For PSCs to be effective at building state capacity it must:

   (2.1) engage in tasks that enhance the host state, rather than simply protecting the sender states’ interests

   (2.2) contribute to the critical functions of the host state

   (2.3) undertake missions intended to contribute to capacity.

PSCs’ assigned tasks must contribute to the capacity of the host state in at least one of the following mission critical areas:

   (2.3.1) the control of territory,

   (2.3.2) administration of justice, or
(2.3.3) the provision of basic public services.

PSCs can contribute to capacity by defending the government officials of the host country, as well as liaisons from other states, in circumstances of extreme violence. It is difficult to have an effective government when assassination or overthrow is the constituency’s method of demonstrating dissent, and if the host country is incapable of providing trained protection services, capacity will benefit by hiring help. Also, in order to increase capacity, private security contracts must contribute to state-building rather than simply replacing state functions; PSCs that simply guard the sender state’s diplomats or media do not develop the host state’s authority.

3) PSCs are subject to the rule of law. The host state cannot build authority or gain the support of the populace when private forces are allowed to act without legislative oversight. There are three possible ways in which regulation can occur. These are listed from most effective to least effective:

(3.1) regulation by the host state’s laws,

(3.2) regulation by the sender state’s laws, or

(3.3) international law.

These three forms of oversight can also be combined, but the inclusion of the host state as a regulative body is most important. State capacity will be most effectively built when the host state is able to work in conjunction with international laws and norms, in order to ensure security and control over the
PSC. The successful regulation of PSC via the laws of the host state is also viable. Being able to enforce law and order over all troops (whether private or part of the state military), within a state’s territory, is required in a strong and successful state. While having the potential for effective regulation, if only the laws of the sender state plus international law are used the authority of the juridical system of the host state will not be increased. Outside regulation does not build the capacity of the host state. In the absence of the laws of the host state, the laws of a sender state provide a foundation from which the host country’s laws can be developed; in this sense, utilizing these laws to regulate a PSC provides a step towards a successful state regulation structure. International law is the least effective as it is slow to be implemented, punishes actions long after they have occurred, and is rarely invoked.

Having PSCs subject to rule of law also increases the legitimacy of private security’s involvement in the host state. There are two main aspects to legitimacy:

(3.5) PSCs must be seen as subordinate to the host country’s government, or, at worst, they must be seen as acting in the best interest of the host country.

(3.6) The host country’s population must see the need for outside assistance and understand why the state cannot provide these services without outside help.
PSCs are the most effective when citizens hold positive opinions of private security (or even just the specific PSC hired by the state) and the actions of the employees of the PSC. Contractors cannot be seen as the enemy of, or as an aspect of outside control. They are the most effective when welcomed and desired by the host state’s people and government.

4) *PSCs are intentionally deployed.* PSCs must be contracted with purpose and clear foreign policy goals rather than used as a stop-gap solution by the sender state. If the sender state’s goals do not include building state capacity, it is highly unlikely that PSC usage will increase the host government’s control. No-bid contracts, lack of responsibility for projects, and deficiency in long term planning undermine, rather than create or strengthen, state capacity. Similarly, PSCs must be contracted for specific tasks, rather than given the ability to operate without permission. A PSC that is allowed to operate without state control is unlikely to be viewed as necessary by the population; see 3.6 above.

If all of the above criteria occur, it is likely that state capacity will increase. If none of these transpire, it is reasonable to expect stagnation or decline of capacity. However, these conditions provide a slippery slope wherein the failure or success of one proposition only effects, rather than dictates, the effect on state capacity.

This dissertation shall trace these four criteria through the cases of Bosnia, Croatia, and Afghanistan to illustrate the effect of private security on state capacity. The case of Iraq shall be explored in the conclusion to see if the findings of the study accurately reflect upon a fourth conflict. In each case study the United States acts as the
sender state with the intent to stabilize and build the state capacity of its allies (including the host states) throughout the world. This premise is rooted in the premise that strong institutions make strong states. If the international community (in this case, the United States) intervenes, it should be in a manner that builds a strong state; private forces are but another aspect of this analysis. The pivotal question will then become *why* some PSC usage causes institutions to strengthen while in other cases PSCs cause decay: Under which conditions are PSCs a successful or beneficial aspect of building the core functions of state capacity?

Table 1.1 Expected Findings

<table>
<thead>
<tr>
<th></th>
<th>Iraq</th>
<th>Afghanistan</th>
<th>Bosnia</th>
<th>Croatia</th>
</tr>
</thead>
<tbody>
<tr>
<td>PSCs focused on institution-building?</td>
<td>Mixed</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>PSC’s tasks contribute to capacity?</td>
<td>Mixed</td>
<td>Mixed</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>PSCs subject to laws?</td>
<td>No</td>
<td>No</td>
<td>Mixed</td>
<td>Mixed</td>
</tr>
<tr>
<td>PSCs intentionally deployed?</td>
<td>No</td>
<td>No</td>
<td>Mixed</td>
<td>Yes</td>
</tr>
<tr>
<td>PSCs viewed as legitimate?</td>
<td>No</td>
<td>No</td>
<td>Mixed</td>
<td>Yes</td>
</tr>
<tr>
<td>Increase in State Capacity?</td>
<td>No</td>
<td>No</td>
<td>Slight</td>
<td>Yes</td>
</tr>
</tbody>
</table>

1.2 Methodology

The central research question of this dissertation is *under what conditions are PSCs a successful or beneficial aspect of building the core functions of state capacity?* In order to explore potential answers, a case study methodology is used to study variance in state capacity. The dependent variable will be the degree to which state capacity is
strengthened or weakened by the actions of private forces; the Iraq, Afghanistan, Croatia, and Bosnia conflicts provide the principal cases of study. I find that PSC usage is a sufficient but non-necessary condition for change in state capacity; therefore, when these private forces are present, their actions will have an effect on the host state’s capacity. This dissertation explores the criteria needed for private security to have a positive impact on capacity. An increase in capacity through PSC usage is most likely to occur through the intervening variable of institution-building. No case study produces unequivocally generalizable results, but as the addressed cases constitute meaningful conflicts (in terms of media attention, political pressure, and lives lost) to both the United States and the European Union, the examination of these four cases increases the general body of knowledge regarding state capacity and private security, and be applicable to use of PSCs in future conflicts.

1.2.1 Methods Overview:

I analyze the actions of the private forces used in the Afghan, Croatian, and Bosnian conflicts, and examine the extent to which my above predictions correspond to the observed capacity of these states at the end of the conflict (as defined by the sender state.) I then apply the “lessons learned” to the case of Iraq. To examine PSC impact in all four cases, I ask six questions to determine whether PSC usage increased state capacity. The first three questions focus on the nature of the tasks that the PSCs undertake:

1. Are the tasks assigned to the PSCs designed to strengthen institutions?
2. Do the tasks given to the PSCs by the sender state actually affect the host state?
3. Do the missions for which the PSC has been contracted have the ability to contribute to building state capacity?
If the sender state contracts a PSC in ways that promote institution-building in the host state then it is possible for state capacity to increase. A prime example of such institution-building would be the training of the military and police. The terms of some PSC contracts do not support institution-building: Those that call for guarding foreign media, providing logistical support for the sender state’s forces, and replacing the functions of the host state’s national army. While all three of these roles are important, they do not contribute to institution-building. As noted above, contracts that support institution-building are a necessary condition for increasing state capacity through PSC use; it is the gatekeeper factor which must be achieved.

The final three questions pertain to the relationship between the PSC in question and the population of the host state:

4. To what extent private security forces are subject to the rule of law?
5. Does the sender state have clear intentions of how the PSC should be deployed?
6. Are the PSCs viewed as legitimate by the host state’s population?

In all cases, state capacity is increased by having an engaged but supportive population. This can be achieved if the population believes that the state in which they live is well-regulated, which requires the laws of the state to be enforced (hence question 4). Lack of enforcement may lead to the population perception of a PSC as being an invasive, unwelcome entity regardless of the PSC’s actions; similarly, employees of PSCs who are excused from the rule of law are more likely to engage in activities that are prohibited to the citizens, such as the murder or rape of civilians. PSCs whose actions are
not regulated in a task-based manner enables PSCs to engage in activities that may be abhorrent to the population (hence question 5); together, this leads to a perception of illegitimacy (hence question 6).

If the findings of questions 4, 5, and 6 are negative, this is likely to erode the population’s respect for the state in general. In the cases of Afghanistan and Iraq there was a lack of oversight over contractors which led to a high level of corruption. Contracts were won in no-bid situations, were not completed, were repeatedly extended, and provided little clarity about what PSC forces were allowed to do. In the case of Iraq contracts were often awarded on an ad hoc nature to address specific needs, meaning that there was no long term planning or objective for these contractors’ actions.

1.2.2 Case Studies: Bosnia, Croatia, and Afghanistan. Lessons Learned: Iraq

I study how the projection of private force affects state capacity and, therefore, limit this dissertation to cases where financing is handled through a foreign national government (the sender state) and the delivery of security services is through a private for-profit firm (a PSC). This study focuses on the United States as the national financer and on the firms it has contracted to undertake operational support, military advice or training, or logistical support in another country (host state). Not only is the United States home to most PSCs that it grants primary contracts to, Washington has also engaged in state-building projects for several decades, making it a desirable sender-state for generalization. Therefore, my case choices will be based upon PSC contracts funded by the United States that are involved in state-building activities in conflict-driven situations. Croatia proves a small exception, as the state financed the contract of the
private military training they received. However, those contracts were arranged by United States diplomats and were approved by the United States State Department. Limiting this study to a single sender state, while varying the host state, allows the focus to remain on the effect of PSCs on the host state. As the objectives of the sender state are critical, using the same sender state for each of the paired cases should hold these goals constant. The United States has similar interests in Iraq and Afghanistan, just as it had similar interest in Croatia and Bosnia.

The cases of Croatia, Bosnia and Herzegovina, Afghanistan and Iraq were deliberately chosen to reflect the United States using private firms to project its power in cases of state-building. The cases provide four individual snapshots of the United States involvement in development projects. Conflicts in the Yugoslav Wars and the Middle East were expensive for the United States both economically and in terms of legitimacy with its own population. These cases take place under two different administrations that held vastly different views on the necessity of United States state-building. The Clinton administration pushed for intervention, while the Bush administration critiqued such involvement. Yet, as time progresses, each case will see an increase in United States participation, especially through the use of private force.

In Iraq, Kellogg, Brown and Root were responsible for the delivery of food, water and fuel to United States troops. A noticeable replacement of government function with a PSC was the distribution of the new Iraqi currency; the United States contracted out this task to a private firm (Avant, Think Again: Mercenaries 2004). In Afghanistan, PSCs were tasked to rebuild infrastructure and lead the counter-narcotics struggle against
opium. Both conflicts are still ongoing, but in neither case could anyone claim that state-building has been successful.

Bruce Porter claimed most states that undergo war will disintegrate or weaken (Porter 1994). Peter Taylor continued this line of logic by noting that 1500 there were roughly 500 autonomous political units in Europe; by 1900 there were 25. This study incorporates Charles Tilly’s theory of state-building which postulates that the extinction of multitude of states in Europe occurred for other reasons than war, and displays how state capacity is created through war. One of the primary criticisms of Tilly’s famous theory of war creating modern states is that the theory is not applicable outside of Western civilizations. Tracing the results of war and state-building in all four cases engages with this critique. Croatia and Bosnia and Herzegovina are European states that follow the same historical legacy and myth as the rest of the Western world. Afghanistan and Iraq follow a tribal, patrimonial history which blends private and public micro-institutions.

Tilly does not linger on the causes of state failure, but rather focuses on why the successful cases were successful. In this study, I adopt both Tilly’s framework (see chapter 2) and the focus on war as a state-building technique. I have selected off the dependant variable, and trace the process of PSC involvement in building state capacity that was successful in two cases and contrast these processes with the PSC involvement in the two unsuccessful cases.

The questions of this study are examined through a structured focused comparison of three cases. A fourth case, Iraq, is used as a testing ground to see if the findings of the
first three cases can be projected to other instances of state-building with the assistance of private force. It is important in case selection to attempt to compare apples to apples (rather than apples or oranges), so my case selection has been limited to situations where the United States is financing private firms to undertake state-building exercises. Croatia, Bosnia, Iraq, and Afghanistan are all recent cases in which the United States became heavily invested. These four cases were also chosen due to the fact that the conflicts are characterized by regime change that caused the conflict in question. PSC use in these cases looks specifically at the rebuilding or stabilizing of a state during and directly after an armed conflict. As such, other conflicts, such as the ongoing counter-narcotics campaign in Colombia, are not included in the scope of this research.

Each case study provides transferable lessons, but no case-study provides universal truths. Comparing a current member of the European Union (Croatia) to a state with no functional system of governance (Afghanistan) allows for theory to be explored and causality to be teased out. Despite the drastic difference in capacity, each case has similarities that allow for comparison. Each state faced a war which created a new system of governance. In each case there is an internationally recognized state which is acknowledged as the ruler by its population. In the two cases with an insurgency, the attempt is to replace the current government rather than secede from the state. There is also a (sometimes eternally enforced) sense of state- hood in each case. These criteria do not hold true for all parts of the world, and thus the findings of this study should not be generalized to all areas of conflict.
1.2.3. PSCs in question

There has been excellent work done to break down the classification of these firms based on what the contracts the firm undertakes and how close to battle-space, or the “tip of the spear,” the firm will operate. However, PSCs do not obediently stay in one niche; rather, like any business, it adapts to the needs of the client whether through adding to a repertoire of abilities or subcontracting. Rather than study firms by classification, this study looks at firms based on the contracts the United States has undertaken. This study looks at the state capacity of the host state, and as such needs to consider both logistical firms like KBR and security firms such as Blackwater. Security firms are capable of providing base support or construction, and logistical support firms must provide guards for their caravans, construction sites, and the military bases the PSC supports. Not only do these firms vary in how close to battle space their contractors will engage, but contractors also vary in quality. As will be shown in the case studies, there is a large variance in the adherence to security culture and the rule of law between firms embedded with retired military personnel (such as MPRI) and opportunistic upstarts seeking fast profit (like Custer Battles.) It is thus important to examine not only what tasks the firms are engaging in, but also the quality, history, and expertise of the firm itself.

MPRI was the main firm in Croatia where it specialized in military training. In Bosnia and Herzegovina, MPRI, DynCorp, and KBR are examined, with MPRI again proving military training, DynCorp training the Bosnia and Herzegovina police and KBR providing logistical support for the United States Army. In Afghanistan the main contractors examined are the LOGCAP contractors (Fluor, DynCorp, KBR), BearingPoint (ministry training and construction), DynCorp (police training), MPRI
(ministry training), Blackwater (security) and Parsons (construction.)

As this study examines if any of the lessons from Croatia, Afghanistan, or Bosnia and Herzegovina were learned or applied to the case of Iraq, the number of involved contractors greatly multiplied. In Afghanistan and Iraq it becomes clear that the core competencies of the United States military are being challenged; firms perform everything from training to base construction to flying predator drones to guarding caravans and essential personnel. Before each case study, the firms involved will be introduced.

1.2.4 Methodological Techniques:

The four cases have a large variation in starting capacity. Iraq had a strong central government, Afghanistan had successfully wiped out the poppy trade within its borders, and Croatia was expanding outwards under the direction of a charismatic leader, whereas Bosnia was ethnically fragmented with an unstable coalition government. It is thus important to examine the degree of improvement (or decline) of capacity, rather than simply if a state is “strong,” “weak,” or “failed.”

Access to information is a challenge due to the obfuscated nature of many of these firms’ activities. The contracts themselves are protected from the Freedom of Information Act because PSCs are businesses and thus may consider their contracts proprietary information. These four cases, however, have generated a high amount of journalistic attention and congressional inquiry. Hearings in Congress, the Government

---

3 This is far from a complete list of the PSCs active in Iraq or Afghanistan. It is also worth noting that one of the main firms employed by the United States in Iraq, Aegis, is not a United States-based firm, but rather based in the United Kingdom. While it is impossible to discuss contracting in Iraq without mentioning one of the largest PSCs employed by the United States (Aegis), this modern development falls outside of the scope of study. It does, however, provide a fascinating opportunity for further study as the United States military allows a foreign firm to contract pivotal military duties as part of the foreign intervention package.
Accountability Office, Congressional Research Services, and newspaper interviews provide detailed non-classified information on the activities of private security. While the goal will be to use primary sources, this dissertation will rely on such secondary sources for information about actual PSC activity when primary sources are unavailable.

Political decay, or the decrease in state capacity, is just as likely as political development. This study looks at the change of capacity and does not assume that development is a one-way street. To avoid modernization theory’s conflation many variables and the normative expectation that rational or enlightenment thinking is superior, the measurement for capacity will follow an institutional approach. Following Huntington, the scope of support and the level of institutionalization will be examined. Both of these criteria are important. For example, while the local governance in Kabul has been effective, that capacity has only existed within the city limits. The ideas of adaptability, complexity, autonomy, and coherence are excellent metrics to measure institutional strength for established institutions. Looking at states in a post bellum period means that these institutions will just be being (re)created, and thus be poor candidates for these criteria.

1.3 Predicted Findings

The cases of Croatia and Bosnia demonstrate a situation where PSCs were involved in the strengthening of an existing state, whereas the cases of Iraq and Afghanistan were chosen as they represent operations geared towards state replacement or reconstruction. These four countries all had just emerged from (or were undergoing) a period of conflict when PSC use began. In each set of cases, there is a variance in state
strength. Prior to American intervention, Iraq was a strong state, while Afghanistan had a long history of weakness. After the first American invasion in Iraq, the capacity of the Iraq state weakened due to economic crisis that led to institutional decay. Kabul’s control of the state was tenuous outside of the capital itself. Prior to the Dayton Accords, Croatia had centralized power and a government capable of mobilization, while Bosnia was fragmented and lacked internal strength. The 2007 Failed State Report for the Fund for Peace and the journal *Foreign Policy* consider Afghanistan and Iraq failed states, Bosnia is currently on the cusp of recovery (or collapse), and Croatia is not listed (Fund for Peace 2007).

The Croatian and Bosnia cases focus on PSC training and PSC support of the host state military in the mid to late 1990s. The Croatian case focuses on the hiring of a PSC, Military Professional Resources Inc (MPRI), after the Washington Agreement in March, 1994. The United States became interested in strengthening the Croatian military and to ally Croatia with Bosnia to balance the growing Serbian threat (Singer, Corporate Warriors, The Rise of the Privatized Military Industry 2004, 126). The reason for this training is also given as assisting the country in complying with NATO’s Partnership for Peace program. The Bosnian case focuses on the Train and Equip program that started in 1996. This program (also administered by MPRI) focused on the reorganization, training, and the professionalizing of Bosnia military forces to balance the Serbian threat (Singer, Corporate Warriors, The Rise of the Privatized Military Industry 2004, 128). I use process tracing to chart the causal effect that these firms training had on the state
Deborah Avant found that PSC involvement in Croatia laid the groundwork for reinstating control over its territory as well as strengthening the office of the president (Avant, The Market for Force: The Consequences of Privatizing Security 2005, 110 - 113). I find similar strengthening of capacity in Bosnia.

I predict that the cases Iraq and Afghanistan will demonstrate the opposite effect on state capacity as they fail to fulfill many – if not all – of the factors earlier hypothesized as important in strengthening state capacity. Iraq has the dubious honor of being ranked the fourth-worst failed state in 2007 by the Fund for Peace and Foreign Policy; Afghanistan is rated as the eighth-worst (Fund for Peace 2007). While both the Iraqi and Afghan conflicts share many qualities with the Balkans cases – ethnic conflict, geographic pressures, outside pressures and involvement, war – the outcomes have been drastically different. This is obviously not just the result of PSC involvement; there is a vast and diverse range of causes that has led to the quagmire in these two conflicts. Yet, whatever the ultimate cause of failure, different actions taken by the PSCs installed in the host country may be a large part of the story. In 2004, PSCs became the second largest force in Iraq, surpassing every other military force except for the official military forces of the United States (The Economist 2004).

The conditions that led to the development of increased state capacity in Croatia and Bosnia through PSC use are absent in Iraq and Afghanistan. In Croatia and Bosnia PSCs focused on institution-building (such as military training), whereas in Iraq and

---

4 Process tracing follows the decision making process of a state or organization to determine the effect particular indicators. For more information see George, Alexander and Andrew Bennett. Case Studies and Theory Development in the Social Sciences. MIT Press; Cambridge, MA. 2004.

Afghanistan, PSCs have focused on replacing institutions such as the police force or treasury. In order to study the differences among variance within these four countries, I undertake within-case studies. For example, in Afghanistan there are NATO soldiers, United States soldiers, and PSC employees all active in the area and all focused on rebuilding the state. By applying one of the operationalized aspects of state capacity below – the population’s access to subsistence-level amenities – and comparing these three types of forces, I provide comparable data useful for illustrating how PSCs can have a beneficial effect on state capacity.

1.4 Conclusion

By examining the difference in government spending, the growth of the government, and the potential for improvements in the quality of life far from the capital throughout the usage of PSCs in the state, I study the change in state capacity. In order to determine whether PSCs have any effect in this process I use process tracing to observe their impact on the host state. This process is undertaken with the knowledge that other relevant variables affect state capacity, but seeks to show the conditions under which PSC usage will have a positive effect on state capacity.

Using these methods, I propose that it is possible for private security to build state capacity if these firms are 1) involved with institution-building, 2) contracted for tasks that add value to state capacity, 3) subject to rule of law, 4) intentionally deployed, and 5) viewed as legitimate by the populace. I review the literature on state capacity and private security over the next two chapters, and then study the effect of PSCs on state capacity in Afghanistan, Iraq, Bosnia, and Croatia.
Chapter 2: Building the Private State

In the process of governing, the Government should not compete with its citizens. The competitive enterprise system, characterized by individual freedom and initiative, is the primary source of national economic strength. In recognition of this principle, it has been and continues to be the general policy of the Government to rely on commercial sources to supply the products and services the Government needs.

White House Circular Number A-76, 1983

2.1 Private Security Companies

Private security companies (PSCs) are corporations that, since the end of the Cold War, have increasingly provided professional military service to both developing and industrialized countries. While the majority of PSCs stop short of engaging in war themselves, they provide a full suite of military services to developing countries, including training and support for national armed forces, and are well-paid for their efforts. There are currently many states that require outside assistance to provide security, and PSCs are answering that call.

PSCs undertake a wide variety of tasks. They have done everything from act as civilian police for UN peace operations, to work as bodyguards for Iraq coalition officers, to running prisons and working as interrogators, to trading national militaries, to providing tactical information and advice (Avant, The Market for Force: The Consequences of Privatizing Security 2005, 265). Armed, uniformed military personnel (such as contractors guarding a convoy) have raised questions regarding the legality and morality of the global security industry and have additionally brought forth accusations that PSCs are nothing more than formalized mercenaries. There is a grey area in definitions - when does a standard corporation become a PSC, and when a PSC employee
becomes a mercenary? When a multinational corporation asks another firm for a risk assessment analysis of a mining site, the employee who enters the mine undertakes serious risk: is that a mercenary activity? Many corporations that are generally agreed to count as “PSCs” are fully capable of providing tactical knowledge, just as they are capable of planning for crisis, providing investigative services, providing corporate analysis, and using artillery and firearms to forcefully take control of a situation.

If the personnel, equipment, training, and advice are directly military in nature, the label of “mercenary” is harder to avoid. Many companies that provide these services work diligently to ensure that their personnel never become actively involved in combat or any aggressive support role. While the majority of these companies do not enter conflict, they assist with many other aspects of military support, including training using military-grade weapons and tactics, training in the modern military technology, military intelligence support, military transport, and logistical services. Others even deploy medical response teams in the field, and overall guidance as to the development of the military in question.

Military contractors are not ragtag outlaws; as functional and economic corporate entities, the image of a mercenary as a lone hired gun is certainly inconsistent with an institutionally uniformed security guard who is paid and employed according to what is effectively a corporate entity. PSCs represent a full corporate machine with the capability to handle a diverse array of problems, specifically military problems. Executive Outcomes, and its sister firm Sandline, were the first and only examples of this type of private security, and it is to them that the term “private military corporation” was coined to refer. Executive Outcomes provided its clients with guns, bombs, gunships, jet
fighters, military technicians, and the training needed by the client’s military to utilize these resources. The corporate armies of science fiction, then, may be a better representation of the logical extension of unchecked PSC growth; indeed, these stories are especially relevant to the subject matter because they have grayed the line between the concepts of “mercenary,” “soldier,” and “employee.” (Pech and Beresford 1997, 19)

Mercenaries are often defined as combat-ready units that are able to provide soldiers and equipment as well as engage in armed conflicts. It is hard to differentiate where (or whether) modern-day PSCs fall short of this mark. Do employees need to pull a trigger on the corporation’s behalf to be a mercenary, and if so do personal bodyguards count as mercenaries? Or is one a mercenary if one trains someone else to pull the trigger? What if a company provides the weapon, the training, the transportation, and the target? Does a PSC employee count as a mercenary when he kills an attacker in a manner considered self-defense by both the host and sender state? Is it about fault, or is it about moral intent? The global community has no clear answers to these questions. While mercenaries have existed since ancient times, PSCs are more professional, corporate, and hierarchical than their ancestors, and though the term “mercenary” carries the emotional impact of historical use, there is some reason to question whether the implications inextricably tied to the term are appropriate (Tickler 1987, 15).

In return for monetary compensation, private security assists in stabilizing states, stopping humanitarian crises, overthrowing dictators, and directly supporting lawful governments. As Leslie Wayne of *The New York Times* observed, “Mercenaries, as they were once known, are thriving -- only this time they are called private military contractors, and some are even subsidiaries of Fortune 500 companies. The Pentagon
cannot go to war without them.” (Wayne 2002, 1) United States based PSCs conduct support operations and trains the Reserve Officer Training Corps. In some cases, PSCs retain expertise in the use of specialized equipment that is no longer held by national troops (Yeoman 2003, 38). PSCs also provide medical support, infrastructure-building, and almost every aspect of the US war machine that does not involve discharging a firearm in combat. Most employees of PSCs are actually the retired service personnel of their home state’s military. They are much more frequently mid-level officers than generals, who work in PSC positions very similar to the ones they held for the state: They train, equip, and provide their military experience to a diverse portfolio of clients without engaging directly in combat (Davis 2003, 30). For the ultimate benefit of their employers, the PSCs, these retired officers are able and willing to influence international policy by utilizing years of well-established connections.

As retired service personnel of the United States military working in a formalized capacity for which they have spent years training, many of the soldiers working for the PSCs will do anything to avoid the “mercenary” label. Much like “pornography,” these employees feel that they know what mercenary work is when they are offered it, and once undertaken there is little chance to redeem one’s reputation. Within the industry, those who accept the title of “mercenary” are often considered morally bereft individuals undeserving of respect; those that have completely thrown away any moral compass (Davis 2003, 34). James Davis, a member of the PSC world and author of the book *Fortune’s Warriors*, summarizes the issue: “Crossing the line separating the rest of the industry from military combat services is much like losing your virginity. Either you are a mercenary company or you are not. Once you take that step, there is no going back.”
(Davis 2003, 32). Even with such strong convictions, firm, concrete definitions are hard to come by. The changing nature of private security makes labeling what is or is not a mercenary difficult.

The International Peace Institute defines a PSC (although they use the term PSMC – private security and military company) as “any company offering, on a commercial basis, services relating to the provision, training, coordination, or direction of security personnel, or reform of their institutions (Avant, The Market for Force: The Consequences of Privatizing Security 2005, xvii).” Cockayne deliberately keeps the definition broad as to not bias conversations against contractors focused on a more military, aggressive nature verses security personnel (convoy guards verses a mall security guard.) This definition has no requirement for the PSC employees to be armed, but rather applies to the whole global security industry.

The United States’ PSC firms stand vigilant against having the mercenary label applied to their work. One of Vinnell’s soldiers told *Newsweek*, “We’re not mercenaries because we’re not pulling the triggers. We train people to pull triggers (Briody 2003, 64).” Tim Spicer, the former Chief Executive Officer of Aegis Defense Services, a PSC based out of the United Kingdom, defines the profession as follows: “Private military companies - or PMCs - are corporate bodies specializing in the provision of military skills to legitimate governments: training, planning, intelligence, risk assessment, operational support, and technical skills (Spicer, An Unorthodox Soldier 1999, 15).” As such, Spicer believes that PSCs do not follow a mercenary legacy. Rather, they allow government funding to end conflicts that would otherwise be allowed to run rampant,
whether from the developing world’s insufficient armed forces, or from the developed world’s domestically imposed restraints (Spicer, An Unorthodox Soldier 1999, 15).

The key word in Spicer’s definition is “legitimate.” Through this statement, the PSCs hope to reassure the state actor that their sovereignty is not in jeopardy: They will operate as contracted, and they will withdraw when instructed to. While there will always be exceptions, Spicer hopes to reassure states that PSCs primarily seek to work in a manner consistent with both global and state law, to maintain their corporate reputation with both current and potential employers (Davis 2003, 19). In additional statements, its former CEO does not contest the fact that Sandline was paid to send troops into conflict situations, but rebuttals by stating that Sandline felt that the deployment was the morally and ethically correct decision. The idea of legitimacy is paramount. This outlook is shown by the Sandline’s public statements on how the firm operates:

Sandline has five basic operating principles: we only work for legitimate governments; we will do nothing illegal, even for those governments, we will do nothing against key Western nations’ foreign policies; we apply First World standards to all our military work, including respect for human rights; and we ensure client confidentiality (Davis 2003, 21).

The difference, and where the point of contention continuously arises, is in the definition of the word “mercenary.” A PSC is a firm that sends military troops or any form of military support to another actor for monetary compensation; some are willing to engage in combat and some are not. To some, a PSC contractor becomes a mercenary when he or she pulls the trigger. For others, a PSC contractor becomes a mercenary when he violates international or state law. A third group views mercenaries as anyone affiliated with the military industry but not employed by the state. Convoy and personnel
protection in Afghanistan and Iraq have further brought this issue to the fore. Major events that involve PSCs engaging in direct combat (Nisoor Square, Fallujah, etc) have changed the course of wars for the United States.

In sum, the private security organizations of today are much too complex to be labeled with such a simple, normatively charged word as “mercenary.” The fighters in Central America during the Reagan Administration and in Africa in the 1960s could perhaps be called mercenaries (UN Office of the High Commissioner for Human Rights 2002, 5). PSCs are unlike anything the world has previously seen, with the arguably exception of military forces hired by state-sanctioned trading corporations, such as the Dutch and British East Indian trading companies of the East Indies in the 17th and 18th centuries. While these private firms are clearly from the same historical legacy and bring to mind the same warnings and concerns as the British East India Company did in their day, they can also be viewed as the latest step in corporate privatization. In another complicated modern “mercenary” situation, foreigners may command state forces. The United Arab Emirates army has been classified as “mercenary” because it comprised mainly of foreigners for both soldier and command forces (Thomson 1994, 90). Conversely, the South Korean army (through the Combined Forces Command) is controlled in times of war by an American general (General Walter L. Sharp), but few would call the South Korean army “mercenary (Thomson 1994, 91). Similarly, the French Foreign Legion is composed of people of all formal nationalities, yet its loyalty and purpose is unquestioned (Thomson 1994, 91).
2.2 State Capacity

The literature on state capacity has parallels with the peace-building literature. Michael Barnett’s discussion of republican peace-building gives three primary tasks of the nascent state: containment of factional conflict, restraint in use and exercise of arbitrary power, and gaining of legitimacy (Barnett 2006, 11). One of the propositions of this dissertation (that PSCs must be viewed as legitimate by the host population) is undermined by the unrestrained use of power by the sender state’s private forces. General Petraeus’ efforts in Iraq and Afghanistan consider legitimacy to be sufficient to deserve a bolded heading in the United States counter insurgency manual: “Legitimacy is the Main Objective (Petraeus, David, et al. 2007, sec 1-90).” Petraeus’ report traces the effects of the perception of state legitimacy over the ages, and notes that in all stages, legitimacy is determined by the perceptions of the populace:

In Western, liberal tradition, a government that derives its just powers from the people and responds to their desires while looking out for their welfare is accepted as legitimate. In theocratic societies, political and religious authorities are fused, and political figures are accepted as legitimate because the populace views them as implementing the will of God. Medieval monarchies claimed “the divine right of kings” and imperial China governed with “the mandate of heaven.” Since the 1979 revolution, Iran has operated on the theocratic “rule of the jurists.” In other societies, “might makes right” and security is [sic] the prime determinants of legitimacy (Petraeus, David, et al. 2007, sec 1-91).

“The Sources of American Legitimacy,” by Robert Tucker and David Hendrickson, enumerates four pillars of the perception of legitimacy for the United States in the post World War II era: “[the United States’] commitment to international law, its
acceptance of consensual decision-making, its reputation for moderation, and its identification with the preservation of peace (Tucker and Hendrickson 2004 ).” I argue that the actions of private security companies in Iraq and Afghanistan indicate deep fissures that jeopardize the stability of those ideals, whereas PSC actions in Bosnia and Croatia support these ideals and thereby lead to increases in state capacity. That PSCs need to be viewed as legitimate by the host population is also supported by the work of David Edelstein: Edelstein gives three ways a successful occupation is possible. These are 1) recognition by the occupied population that there is a need for occupation, 2) the two states must perceive a “common threat to the occupied territory,” and 3) and “the occupying power makes a credible guarantee that it will withdraw and return control…in a timely manner (Edelstein, Occupational Hazards: Why Military Occupations Succeed or Fail 2004).” While the last two matters are of foreign policy, the first supports my argument that a PSC welcomed into the host state by the population (as in Croatia) has a much better chance of success than a PSC for which it is opposed (as in Iraq).

In order to discuss what makes a successful occupation or successful rebuilding of a war-torn state, the question of “what is the state?” must first be asked. Christopher Pierson begins his discourse of what makes the modern state by comparing it to the famous United States Supreme Justice quote on pornography: “I know it when I see it.” Pierson’s idea that there is an \textit{a posteriori} notion of the state shared by Western scholars is apt, and leads the way for his intensive examination of the literature. States are more than embassies, flags, and delimitation on a map. The internal machinations of a state,
the domestic arena, are a powerful and embedded part of any discussion about the state.\(^6\) Migdal’s work encourages scholars to break through the mold of only looking at the external interactions of the state, and include the ideas and concepts of civil society. Or, in his words: “A state-centered approach is a bit like looking out a mousetrap without at all understanding the mouse (Migdal 1988, xvi).”

Barry Buzan’s work adds to the traditional definition of the state by adding the idea of a required cohesive ideology. His definition of the state focuses on the domination over political allegiance and authority, command over instruments of force, a physical base of population and territory, institutions to govern the population, a sense of legitimacy from its constituency, and sovereignty (Buzan, People, States and Fear 1991, 58 - 66). Per Buzan, a successful (strong) state is one who can maintain control over its population and territory, maintain a cohesive ideology, and maintain institutions which successfully govern.

This study adopts Joel Migdal’s ideal-type model of the state to provide a platform on which state capacity can be measured. He defines the state as “an organization, composed of numerous agencies led and coordinated by the state’s leadership (executive authority) that has the ability or authority to make and implement the binding rules for all the people as well as the parameters of rule making for other social organizations in a given territory, using force if necessary to have its way (Migdal 1988, 19).” It is also worth noting that this study heeds Buzan’s warning to not conflate

\(^6\) Buzan discusses this same concept eloquently: “When viewed from the outside they look like states because they have embassies, a flag, boundaries on maps, and a seat in the United Nations. But viewed from within they are anarchic, with different armed self-governing groups controlling their own territories and contesting central government by force (Buzan, People, States and Fear: The National Security Problem in the Third World 1988, 19).”
state strength (sociopolitical cohesion) with state power (the range and size of its resources and capacities) and therefore focus only on state capacity as a measure of state strength, rather than of state power (Buzan, People, States and Fear: The National Security Problem in the Third World 1988, 18 - 19).

State-capacity is the ability of the state to successfully undertake and complete actions that relate to the governance. Migdal describes state capability as “the ability of state leaders to use the agencies of the state to get people in the society to do what they want them to do (Migdal 1988, xiii).” It is important to note that this study is examining the building of capacity, not the exportation of democracy. Even though the promotion of democracy has been a goal of the United States in each of the four cases, state capacity does not depend on a specific type of governance. The promotion of democracy is a separate, although related, goal to the building of capacity: “Sovereignty is not democracy, but it is clearly a prerequisite (Cobbs 1993, 149).” This linkage is also beneficial when the United States needs to convince its population of acts, such as invasions, occupations, or government replacements, that outside of international norms. In Exporting Democracy: the United States and Latin America, Elizabeth Cobbs elaborates this point:

One thing that has made this basic stance tolerable [that the United States has been able to act with impunity abroad] to politicians and a public raised on the principles of the Declaration of Independence is a high sporadic policy of “promoting democracy” in Latin America. “Promoting democracy” thus becomes a way to cleanse periodically the North American conscience of the tarnish of other less high-minded but more persistent motives in international relations. To accomplish this, North Americans do not actually have to promote democracy, they just need to think that is what they are doing (Cobbs 1993, 149).
Focusing again on capacity, Pierson determines nine mechanisms to measure the success of the modern state. These are the control of the means of violence, territoriality, sovereignty, constitutionality, impersonal power, the public bureaucracy, authority/legitimacy, citizenship, taxation. In other words, the exclusive use of force within the state, the ability to protect the borders of the state, the final and absolute authority in a political context, documents which dictate how the state is ruled, the rule of law, the ability to conduct governance, the support of the populace, a populace engaged in the welfare of the state, and the ability to extract resources directly from the population (Pierson 2011, 6). In the cases studied the capacity will range from completing all of the above criteria (Croatia) to failing at all but one (Iraq).² Almond and Powell find capacity to be defined as the overall performance of a political system in its environment, and measures a states success through five criteria: extractive, regulative, distributive, symbolic, and responsive (Almond and Powell 1966). Migdal’s four characteristics to measure state capacity (which, like Almond and Powell, he calls capability) are the ability “to penetrate society, regulate social relationships, extract resources, and appropriate or use resources in determined ways (Migdal 1988, 4).” Buzan takes a different tact by examine what benchmarks make a weak state, and defining a strong state as one lacking these criteria. These nine signs of state weakness are: 1) high levels of political violence, 2) major recent changes in the structure of political institutions, 3) conspicuous use of force by the state in domestic political life, 4) a conspicuous role of

² Iraq does have a constitution. However, this specific document would not have been created without the interference of the United States. The CPA appointed the drafting committee for the constitution, and United States pressure forced a rushed draft. This had several notable consequences such as Sunni moderates, women, and ethnic minorities were marginalized and that ordinary Iraqi’s were not meaningfully involved with the creation of their own constitution. For more information see Mona Iman’s USIP Peace Briefing (Iman 2005).
political police in everyday lives of citizens, 5) major political conflict over what ideology will be used to organize the state, 6) lack of a coherent national identity, or the presence of contending national identities within the state, 7) lack of a clear and observed hierarchy of political authority, 8) a high degree of state control over the media, and 9) a proportionately small urban middle class (Buzan, People, States and Fear: The National Security Problem in the Third World 1988, 20 - 21).

This study engages with state capacity through the six questions described in Chapter 1 which focus on intentionality, governance, institutionalization, accountability, and legitimacy. In addition, this study follows Huntington’s legacy by adopting the approach that strong, effective, and trusted institutions are an intrinsic part of strong states. This study places itself within Badie and Birnbaum’s explanation of how state capacity and institutional development:

The progress of state building can be measured by the degree of development of certain instrumentalities whose purpose is to make the action of the state effective; bureaucracy, courts, and the military, for example. Clearly, the more complex and highly developed these instrumentalities are, the greater the capacity of the state to act on its environment and to autonomously impose collective goals distinct from the private goals generated within the social system itself. In this situation, the state’s autonomy corresponds to a tangible reality (Badie and Birnbaum 1983, 35).

Buzan’s work frames institutionalism by introducing the power of the ideas and myth of the state: “The idea of democracy or communist is useless without the institutions to put it into operations, just as the institutions would be pointless, maybe even impossible, without the idea to give them definitions purposes (Buzan, People, States and Fear 1991, 86).” It is with this introduction to theory that it becomes clear that
development, or foreign intervention, cannot simply be viewed as a cookie-cutter approach to each state. There must be intentional planning and deployment to account for the cultural differences of the host state.

Also important is the application of rule of law in a way that makes sense to the host population. Exporting Western ideals and laws is not suitable for every country. The immediate need in strengthening judicial support for Arab judges is not to be taught intellectual property law, but yet it remains a focus in rule-of-law training in Middle East counties (Mednicoff 2006, 263). Rule of law should be applied as defined, not as interpreted through United States or Western lenses. Laws need to be a matter of public knowledge, be understandable, and apply equality to all members of the polity, regardless of ethnicity, religion, gender, or other potential bias. Carothers provides an excellent framework for the end goal of building the rule of law:

In particular, anyone accused of a crime has the right to a fair, prompt hearing and is presumed innocent until proven guilty. The central institutions of the legal systems, including courts, prosecutors, and police are reasonably fair, competent, and efficient. Judges are impartial and independent, not subject to political influence or manipulation. Perhaps most important, the government is embedded in a comprehensive legal framework, its officials accept that the law will be applies to their own conduct, and the government seeks to be law-abiding (Carothers, The Rule-of-Law Revival 2006, 4).

Carothers additionally proposes three forms of reform in order to introduce the rule of law in weak states. The first is to improve the actual laws themselves and raise them to a modern standard, the second is to increase the strength of judicial institutions, and the third reform is to bring the government itself into compliance with the law (Carothers, The Rule-of-Law Revival 2006, 7). This third step, introducing a sense of accountability
to the government, is difficult, and it takes a good deal of time (Carothers, The Rule-of-Law Revival 2006, 12). One of the challenges of reconstruction is the attention span of the sender state. In the case studies, this variance in long term assistance can be seen. Croatia is an outlier because its governance system was not dismantled in war. Post-reconstruction external pressure has been applied to bring Croatia in compliance with international law and the ICTY (International Criminal Tribunal for former Yugoslavia). The Croatian population was exceptionally displeased with the indictment of one of their generals by the ICTY, with over 90% of the population reportedly objecting (Butković 2011). In Bosnia and Herzegovina, EU attention has remained, giving the country a chance to experience long-term judicial reform. It is unlikely the United States will remain focused on institution building in Iraq or Afghanistan long enough for these stages to occur.

Intervention in states recovering from conflict is not simply a matter of strengthening state capacity; it is also a matter of creating it. Further, there is more to the creation or strengthening of state capacity than simply the capabilities of the state; a capable state may be so due to state-created power or power provided by another state. John W. Meyer’s analysis of the state illuminates the vacuum of power that private security may fill: “States are not merely authorized to do these things; they are expected to do them (Thomson 1994, 17).” This expectation is not upheld in much of the periphery, and when a state is too weak to maintain necessary institutions (e.g.,

---

8 It should be noted that international law remains a contentious issue with state sovereignty, and obedience or acceptance to international law is not a reliable measure for state capacity. The United States, for example, does not always support the international courts.
9 Thomson is summarizing Meyer’s argument in Meyer, John W. “The World Polity and the Authority of the Nation-State” p 119. Emphasis in the original.
maintaining control over territory, administration of justice, providing basic public services, and protecting its citizenry), more developed states have shown various degrees of willingness to intervene. When the state fails to provide such services, the populace becomes restless. In Iraq, this was true even in the capital city; “the primary issue motivating fighters in some Baghdad neighborhoods was provision of adequate sewer, water, electricity, and trash services. Their concerns were totally disconnected from the overall Baathist goal of expelling the Americans (Petraeus, David, et al. 2007, sec 1.34).” This discord makes the provision of basic services a military goal in countering insurgency, and leads to more invasive PSC involvement in the host state.

2.2 States’ Use of Private Force

For the United States, “combat has become more technological and more civilianized (Singer, Corporate Warriors, The Rise of the Privatized Military Industry 2004, 64).” Contractors are active everywhere from soup kitchens to supply chains to working checkpoints. Contractors repair and operate highly complex equipment. Private firms are so enmeshed in the United States military’s day-to-day operations that some have speculated that they now are necessary for military operation (Wayne 2002). The partial privatization of legitimate uses of force has fundamentally changed the modern warfare. Clausewitz’s idea that war is the continuation of politics by other means now uses private actors (Avant, The Market for Force: The Consequences of Privatizing Security 2005, 3).10 Governments of the developed world, as well as the United Nations, hire private firms in order to achieve a wide variety of goals. The conflicts of the

---

developing world have also moved away from a model in which the state acts entirely alone. While the “civilianization” of force is a matter of privatization and deliberate outsourcing in the developed world, the developing world is plagued by insurgent groups, ethnic conflicts, and civilian lawlessness. In both cases, there no longer exists a state monopoly on the means of coercion, as private actors are frequently central to contemporary warfare and peacekeeping (Singer, Corporate Warriors, The Rise of the Privatized Military Industry 2004, 65).

When private firms replace national troops, it potentially removes a level of training and expertise from the national army. If a contractor is hired to manage complicated equipment or oversee security, it is no longer the national forces that undergo this on-the-job training. If no training of national forces occurs, PSCs effectively constitute replacements for the national force, rendering the national force potentially ineffective at the same tasks when contracts end. This concern applies not only to the training of foreign troops, but also to the United States: John J. Hamre, a deputy secretary of defense in President William J. Clinton’s administration, notes how vital contractors are. They run high-tech machinery, handle logistics, and train troops. Indeed, in modern warfare, “contractors are indispensable. Will there be more in the future? Yes, and they are not just running the soup kitchens (Singer, Corporate Warriors, The Rise of the Privatized Military Industry 2004, 65).”

Max Weber would have found this problematic. In his view, the essential characteristic of a state is that it “successfully upholds a claim to the monopoly of the legitimate use of physical force in the enforcement of its order (Weber, The Theory of Social and Economic Organization 1964, 154).” Though considered a “classic,” Weber is
still relevant; General Petraeus’ work on counterinsurgency defines power using an (unattributed) quote from *Economy and Society*: “Power is the probability that one actor within a social relationship will be in a position to carry out his or her own will despite resistance (Petraeus, David, et al. 2007, Appendix B-42) (Weber, Economy and Society 1979, 53).” Anthony Giddens defines statehood as “direct control of the means of internal and external violence” within “a territory demarcated by boundaries (Giddens 1985, 121).” Margaret Levi proposes that the monopoly of physical force and the legitimization of that force are inherently not definitions; they are themselves variables (Levi 2002, 40). The monopoly and legitimization of force are, in fact, the most common of the dependent variables for the study of PSCs. Stathis Kalyvas highlights how warlords also play a role in the world of private force and capacity building. Clearly, by virtue of being autonomous militant actions that resist oversight from the state, warlords are a challenge to capacity. They are, in fact, lords of their geopolitical area by their claim on the monopoly of violence and their ability to repel other authority. These feudal remnants fulfill the roles which Tilly postulates should cause an increase in capacity, as “warlords levy taxes, administer justice, maintain some degree of order, and generally assume the burdens of government in the areas they control (Tilly, Coercion, Capital, and European States, AD 990-1990 1990, 105).” Reconstruction in Afghanistan and Iraq faces hurdles greater than a destroyed infrastructure, as it must contend with a traditional tribal society which still maintains and accepts these pockets of authority from non-state actors.

The study of these war-torn societies and the growth of capacity are thus challenging. Samuel Huntington correctly pointed out that the conflation of
modernization with political development limits both theories applicability throughout time and space (S. P. Huntington 1965, 389). By using enlightenment based ideals, it is difficult to judge cultures that come from radically different backgrounds. “It becomes impossible to speak of a politically developed tribal authority, city-state, feudal monarchy, or bureaucratic empire (S. P. Huntington 1965, 389).” It is thus why he suggests the strongest way to look at capacity is by examining institutions, and the functions of institutions.

Charles Tilly observed that the dominant principle of statehood is “controlling the principal means of coercion within a given territory (Tilly, The Formation of National States in Western Europe 1975, 638).” Brian Talyor and Roxana Botea succinctly summarize Tilly’s argument of state-building as “war → extraction → repression → state formation (Taylor and Botea 2008, 29).” Other scholars claim that this model cannot travel outside of Europe and is not applicable to the developing world, though Michael Desch holds to an opposing line of logic by exploration the many developing states that exist only as a result of external recognition. Sorenson finds merit in Tilly’s arguments for state creation, but notes that the current international environment no longer allows for external war and conquest (Sorensen 2001). The firming of borders by international decree removes the impetus to maintain the extraction/repression model. It is important to note that studies based on Tilly’s work on European state capacity through extraction/repression are focused on the states who survived the culling that turned the international system from many hundreds of individual geopolitical units to the smaller and (relatively) stable number today (Taylor and Botea 2008, 33).

11 For a review of literature on this point see Talyor and Botea p 30 - 31
Many states that were borne out of military or geopolitical conflict (such as China, Cuba, Israel, and South Korea) developed into strong states (Desch 1996). This is in agreement with the Statist approach that describes politics as a struggle of “us against them” rather than Lasswell’s idea of politics as “who gets what, when, and how (Krasner 1984, 225).” The use of PSCs (a delimited example of foreign intervention) may interfere with the intermediary variables (extraction, repression) of Tilly’s theory.

Francis Fukuyama has described state-building as “one of the most important issues for the world community because weak or failed states are the source of many of the world’s most serious problems, from poverty to AIDS to drugs to terrorism (Fukuyama, State Building. Governance and World Order in the Twenty-First Century 2004, 1).” Therefore, state-building and the growth of state capacity must be a prominent focus of the international community; accordingly, states must also be aware of how their foreign policy choices may or may not expand state capacity. According to Barnett, state-building has two main elements: the variability in state capacity and the relationship between the state and society (i.e., the type of state) (Barnett 2006, 91). As the promotion of democracy has long been a goal of the United States, this study focuses on the change in state capacity rather than the development of political institutions. Because state capacity cannot be observed directly (rather, it is defined as the culmination of economic, social, and military causes and effects), it is difficult for policy makers or academics to formalize how best to create strong states. The United States’ embrace of modernization theory in the 1950s and 1960s showed attempts that have generally proved unsuccessful. This has not deterred the desire to create strong states; current peace-building missions throughout the world demonstrate that the projection of liberal values
is still prevalent (Barnett 2006, 88). These liberal values are shown in definitions of state
capacity that focus on quality of governance: Kjaer, Hansen, and Thomsen found that
successful growth of state capacity is illustrated via economic growth, taxation, control of
territory, rule of law, and the country’s participation in social movements (Kjær, Hansen
and Thomsen 2002).

Fukuyama’s main variable for studying the state is enforcement, the process of
getting the populace to comply with the laws of the state (Fukuyama, The Imperative of
State-Building 2004). The Cold War, and more recently the events of September 11,
2001, changed the way the United States viewed national security; effectively,
isolationism ended. Enforcement is no longer something confined to a clear demarcated
“populace,” but rather extends into the international arena. Michael Barnett summarizes a
large body of literature with his succinct statement that “the terrorist attacks of September
11, 2001, catalyzed an emerging view that weak states pose a major threat to themselves
and to international security (Barnett 2006, 87).” This need to expand enforcement
internationally, for example through the utilization of private actors, leads to a theoretical
question: How is Charles Tilly’s contention that “war drives state formation” applicable
when private firms undertake the tasks of war that were previously government
functions?12 Rather than building “an infrastructure of…supply, and administration that
requires maintenance of itself,” these functions may be assumed by private firms acting
globally.

12 “Preparation for war, especially on a large scale, involves rulers ineluctably in extraction. It builds up an infrastructure of taxation,
supply, and administration that requires maintenance of itself and often grows faster than the armies and navies that it serves; those
who run the infrastructure acquire power and interests of their own; there interests and power limit significantly the character and
intensity of warfare any particular state can carry on (Tilly, Coercion, Capital, and European States, AD 990-1990 1990, 20).”
Of the institutions that Tilly describes as being strengthened by war, taxation has not yet been privatized (Tilly, Coercion, Capital, and European States, AD 990-1990 1990, 21). The act of taxation creates a government that is, at least financially, liable to its people; there is “no representation without taxation. (S. P. Huntington 1991, 65)” The problems posed by rentier states are relevant, but on an international scale. When states such as Angola and Papua New Guinea needed to finance PSCs, the governments in question turned to resource concessions to provide the required capital. Indeed, private force is expensive; mercenary activity is lucrative. Several private security companies have achieved “Fortune 500” status in the United States. The Bonn Institute states that in 1998, the international security industry was worth almost $60 billion dollars; the institute expected it to be worth $200 billion dollars in 2008 (Davis 2003, 28). If states were using taxation to raise revenue to pay for private security (rather than funding and training a standing military), it is possible that Tilly’s theory of institution-building would still be relevant.

Unfortunately, there are other ways to pay for a PSC other than through taxation. In the cases of this study, PSCs are employed by a sender state (the United States). As such, the host states (Iraq, Afghanistan, Bosnia and Croatia) do not need to generate additional capital to cover this expense and thus do not need to raise taxes, provide supplies, or create an administrative post to oversee these contractors, and thereby their accountability to the population is reduced. The correlation between capital accumulation and war-making was a key factor in Tilly’s analysis of state-building in early Europe. The focus on resource extraction is so powerful that many quantitative scholars claim it is the best measurement of state strength (Taylor and Botea 2008, 11). In the modern era,
the financial situation within states is not always handled domestically; international capital can replace a government’s need to accumulate wealth from its citizens. Georg Sorenson’s *Changes in Statehood: The Transformation of International Relations* (as well as his article “War and State-Making: Why it Doesn’t Work in the Third World”) discusses how the involvement of developed countries and TNCs add external variability in building state capacity that often has a negative outcome (Sorensen 2001). Much of Tilly’s theory rests on the concept that states have to extract resources from their own population and this becomes a vehicle for state-strength. However, in cases of foreign intervention, the host-state is not subject to this growth in capacity. Resources are provided externally (from the sender state.) This foreign intervention, with money or private troops, creates a situation at the heart of dependency theory: the core grows stronger while the periphery weakens. Tin-Bor Hui’s *War and State Formation in Ancient China and Early Modern Europe* explores the difference between self-weakening and self-strengthen reforms that the state undertakes. She also sees difficulty with the direct import of funds, comparing outside financing to national taxation and mercenaries to conscription (Hui 2005). There is a greater chance of obtaining external funding or support from actors in the international system than there was in pre-modern Europe, if only because of relatively recent generation of superpowers. Obviously, these external actors may change the strength of the state (Taylor and Botea 2008, 48). The inclusion of PSCs in conflict and building state capacity is an aspect of this external variability.

The inclusion of private security in a conflict (especially when national troops are reluctant to act) may seem like a “quick fix” to a destabilizing situation. However, unless PSC contracts are focused on training or other institution-strengthening activities (rather
than acting as replacements for national militaries), there is every indication that these “quick fixes” will provide nothing but a false sense of security. Once the PSC leaves, the problems will remain. Further, as Kroenig and Stowsky indicate, “the degree in which security threats generate an increase in state power is partly a function of an individual state’s institutional receptiveness to state expansion (Kroenig and Stowsky 2006, 245).”

The United Nations Special Rapporteur on mercenaries, Enrique Bernales Ballesteros, expressed concerns that this trend of acceptance and the broadening of PSCs’ powers will lead to the weakening of state sovereignty and human rights. Ballesteros fears that, as more companies become involved, PSCs will become part of the accepted global culture; this will endanger nascent states’ security obligations and the citizens’ guarantee of human rights (Granelli 1997).

Foreign intervention—whether directly or in the form funding private firms—removes the required institution-building that Tilly’s Coercion, Capital, and European States postulates; the lack of resource mobilization removes the negotiation between the state and its constituency. War not only builds institutions, but it creates a “civilianization of the government and domestic politics” that increases control of the state from the few to the many (Tilly, Coercion, Capital, and European States, AD 990-1990, 1990, 206).” Barnett highlights the fact that resource mobilization and taxation (and thereby negotiation with the populace) has been historically necessary because “states were increasingly turning away from external sources of financing and foreign mercenaries (Barnett 2006, 99).” There are many states in the developing world that have not followed this trend; aid and loans run rampant, and PSCs are hired (and thus funded) by a plethora of external sources. Perhaps this is to be expected. Wallerstein argues that the
The capitalist world-economy is not limited by the boundaries of political units, saying that one of the “defining features of a capitalist world-economy that there exists no political entity with ultimate authority in all its zones (Wallerstein 1984, 14).” Extraction is no longer the primary way states torn apart invaders gain money for reconstruction; now foreign aid provides direct capital, reconstruction efforts, and even military training and support. This sets the context of this dissertation: In the cases examined herein, I examine PSCs deployed by a sender state (the United States), thus undermining the need for revenue collection.

2.3 The United States and its Affair with Private Force

The reluctance of the United States to deploy ground troops after the horrors of Vietnam and Somalia led to its increasing military dependence on PSCs. During the Cold War, the Western powers deployed troops into developing countries to hinder the Soviet Union’s goals. Since the Cold War ended, there has seldom been reason for any major power to interfere in regional conflict; humanitarian concerns (such as the genocide in Rwanda) have only rarely been sufficient to prompt deployment. This is not simply due to political isolationism: When the United States took humanitarian action in Somalia, the public backlash was so severe that the major powers have since allowed genocide to continue in Rwanda rather than risk similar political fallout. These governments turned to PSCs because these corporate entities, in return for monetary compensation and resource concessions, were willing to deploy into confrontations in which state actors felt unable to act.
Externally funded PSCs can also be represented as a subset of foreign intervention on the part of a state. The difference between the sender state’s national military and private forces contracted by the sender state may not be functionally apparent, especially to the government or citizens of the host state. PSCs guard, supply, train, and even enter into combat on behalf of the sender state, meaning it is likely that their theater of operation provides little clarification on if an individual is a national or private soldier. The United States is not the only state that projects military power using private firms; the United Kingdom, South Africa, and to a lesser degree, France, has activated military contractors in foreign theaters as well. The United States is home to the majority of PSCs (Avant, The Market for Force: The Consequences of Privatizing Security 2005, 167 - 175).

The United States’ PSCs are not subject to the same congressional oversight that national forces are. As such, there is a lower sense of political commitment, less need for interagency cooperation, and less fear of a backlash from the public over soldier deaths (Avant, The Market for Force: The Consequences of Privatizing Security 2005, 133). Instead, PSCs are paid by the government using whatever discretionary funds are available; there is no line-item for PNCs in the budget as there is for the military. Indeed, the military budget can be used to hire these contractors without further congressional approval. Further, because of this separation of military action and military spending, PSCs can act where the national military cannot. In the case of Croatia, the United States needed to appear neutral because of its involvement in IFOR (the NATO-lead

implementation force). Therefore, the United States could not send troops to support Croatia’s military directly. However, the United States was able, as a nonmilitary action, to hire private firms to train and professionalize Croatian national forces; they did so, effectively strengthening the Croatian forces without violating international agreement (Jefferies 2002, 114). Private security also provides the opportunity for the Pentagon and/or executive branch to bypass legislative controls (Frost 2008, 43). When the United States Congress forbids deployment and/or limits troop count (as they did regarding the Bosnia conflict), the Department of Defense was not prohibited from hiring military contractors, and so the Department hired contractors to fulfill the military obligations prohibited to US soldiers (Wulf, Internationalizing and Privatizing War and Peace 2005, 61). In Iraq, this action continued, as is illustrated by the frequency of no-bid contracts awarded by the Pentagon (Verkuil 2008, 131). While no-bid contracts are far from uncommon when hiring non-military contractors (indeed, several functional research institutions in the United States exist solely because of military funding), Iraq has given the skeptics of private security plenty of ammunition in arguing that PSCs in general are difficult to monitor: There is evidence that PSCs in no-bid contract situations cut corners, outrageously overcharge, and simply not perform the work they have been contracted (and paid) to do. In sum, the availability of PSCs and no-bid contracts has allowed the United States to accomplish its military and political goals without congressional oversight, but the processes by which this is brought about may engender poor performance and counterproductive outcomes when the PSC in question underperforms.
I argue that using PSCs to avoid bureaucratic restrictions will not necessarily contribute to an increase in state capacity. This lack of oversight will directly undermine the legitimacy of any action the firm undertakes to its critics. General Petraeus states,

... power may be exercised illegitimately by individuals who use the instruments of a state for personal ends, a government’s respect for pre-existing and impersonal legal rules can provide the key to gaining it widespread and enduring societal support. Such governmental respect for rules—ideally ones recorded in a constitution and in laws adopted through a credible and democratic process—is the essence of rule of law (Petraeus, David, et al. 2007, sec 1-96).

The fact that the United States is the sender state in the cases considered here has direct implications for the growth of state capacity in the host states. Ghani and Lockhart’s Fixing Failed States argues that the “key to state-building is first to agree on a goal and the functions of the state to support this objective and then follow up with a pragmatic search for the means of implementation (Ghani and Lockhart 2008, 7).” While the authors continue on to argue against the effectiveness of the use of any force in state-building, the reminder of the need for planning is relevant when considering the United States and its recent wars.

When considering whether private actors such as PSCs build state strength, it is important to consider the task they undertake. Dan Shearer contends that PSCs that provide armed operational support, like the defunct Sandline and Executive Outcomes, and Blackwater’s once-proposed fully combat-ready division,¹⁴ may have the ability to

---

¹⁴ Executive Outcomes was a South African based PMC that received world-wide attention for its activities (and success) in Sierra Leone and Angola in the late 1990s. South Africa’s anti-mercenary laws forced Executive Outcomes to disband and many of the contractors reformed in a firm based out of the United Kingdom, Sandline International. In 2004 Sandline International closed its doors claiming “general lack of governmental support.” (http://www.sandline.com/) The same year Sandline closed Blackwater
break stalemates in conflicts and defeat destabilizing elements of society (Shearer 1998, 75). The attenuation of conflict (through whatever means) may allow the state to focus on the re-establishment and re-creation of the state itself. Avant’s work builds on this claim, suggesting that a successful PSC contract might also enable the government to ensure their predominant claim to coercion (which they thereby have the right to contract out). This would allow the government to “perform a more state-like function – potentially laying the functional foundations for a rational legal authority claim (Avant, The Market for Force: The Consequences of Privatizing Security 2005, 59).” The reasons for this are clear: “the legacy of conflict and the continuing climate of fear [in post-conflict societies] mean that individuals and groups are unlikely to trust the state to be an impartial force that can provide credible security guarantees (Barnett 2006, 92).”

Providing contracted private support from outside the host state may, thus, provide a route to long-term improvement. The clearest instance of this causal chain occurring is illustrated by the case of a PSC being contracted to train the national military: The successful strengthening of the state military, which is in turn subordinate to civilian control, may well increase the overall functional control of the state once the PSCs have withdrawn.15 This subordination to civilian control is important, as it is a primary indicator of the legitimacy of the state and the state military. In his most recent work, Democracy, the late Charles Tilly hypothesized three “central clusters of change”

quietly announced a more pro-active division named Greystone which provides “a complete solution to your most pressing security needs” by providing “mobile security teams.” (Scahill, 366 – 369)

15 There is a difference between the claims of peacekeepers security packages and the claims of PSCs military training. While they both claim to create a more professional military that understands its subservient role to civilians and will respect international human rights, PSCs are focused on training existing state-backed institutions. Peacekeeping forces work to demobilize, disarm, and reiterate former insurgent groups. (Barnett 2006, 93, 100).
that create democratization and de-democratization. The last of these, the autonomy of major power centers, is not only critical to democratization, but also to the overall strength of any state. If PSCs can increase state control so that armed insurgencies can be suppressed, the state increases its ability to control over its territory (Shearer 1998, 80).

In *The Market for Force*, Avant argued that while this may be true, “the market undermines the *collective* monopoly of the state over violence in world politics, and thus a central feature of the sovereign system (Avant, *The Market for Force: The Consequences of Privatizing Security* 2005, 253).” Thus, even if a PSC is beneficial to the individual state, the international system suffers. The validity of this point will depend on both the sender and host countries’ places in the world system. Whereas Avant sees the erosion and change of the monopoly of force as a potential difficulty in the developed world, Huntington’s work promotes the idea that the developing world’s focus should be on gaining a strong regime through (almost) any means necessary (Avant, *The Market for Force: The Consequences of Privatizing Security* 2005) (S. Huntington, *Political Order in Changing Societies* 1968). If the PSC thus acts as an arm of the sender state, and is beholden to the laws and mores of said sender state, then the use of force in the host state may be considered an erosion only of the host state’s monopoly on violence (and thus be prevented from eroding this monopoly in an international sense).

PSCs are not only a challenge to state-building, but may contribute to state failure. Peter Singer analyzed the use of Sandline in Papua New Guinea to illustrate how

---

16 These are “increase or decrease of integration between interpersonal networks of trust...and public politics,” “increase or decrease on the insulation from public politics of the major categorical inequalities around which citizens organize their daily lives,” and “increase or decrease in the autonomy of major power centers...with respect to public politics invalid source specified.”
the potential backlash of introducing PSCs can occur from both the population and the military. When PSCs are hired to undertake tasks that are normally carried out by the local military, the civilian regime may view this as a state voting “no confidence” in its own military (Singer, Corporate Warriors, The Rise of the Privatized Military Industry 2004, 197). This can lead revolutionary actors to believe that their time has come, in turn leading to conflict and, ultimately, regime change. Military training is subject to the same risks. The “the prestige, the autonomy, or the corporate interests of the local military” must be carefully handled or dissent can rise from both the national force and the civilian population (Singer, Corporate Warriors, The Rise of the Privatized Military Industry 2004, 200). Melvyn Levitsky warned that “care should be taken that military action not be exercised in a way that alienates the very people that it is attempting to reincorporate into national society (Levitsky 2008, 394).” Singer catalogues ways around these problems; national militaries that are newly formed, imbued with a strong ideology of the regime, facing defeat in war, or facing other shocks, are capable of seeing the benefits of such assistance (Singer, Corporate Warriors, The Rise of the Privatized Military Industry 2004, 62). In such occurrences it is possible for PSCs to be successful in training national militaries. Singer uses Samuel Huntington’s observations from The Soldier and the State: The Theory and Politics of Civil-Military Relations to explain how PSC training can provide important long term benefits to the growth of state capacity. In Singer’s words, private training is capable of “enhancing the capacity and professionalism of militaries (that is, focusing military attention on functional specialization and the strategic and technical demands of warfare, rather than on local political concerns) and strengthening the institutions that exercise oversight of the
military (Singer, Corporate Warriors, The Rise of the Privatized Military Industry 2004, 202).” Huntington’s works demonstrate that institutions are strengthened through successful training as well as highlighting how a military can be transformed from an autonomous power center into an integral part of the government, subordinate to the state’s authority.

Indeed, private security is not universally opposed. The scholarship supporting private security is passionate: “Too often policy recommendations are based on idealism and utopian theories. Bad policy recommendations in peace operations, as opposed to most other fields of research, cost lives. Critics of private-sector involvement should keep this reality in mind (Brooks and Chorev 2008, 127).” Not only scholars support private-sector involvement. Deputy Assistant Secretary of Defense of African Affairs, James Woods, “believe[s] that privatized security efforts can help relieve anarchy and chaos, keep local security disruptions from spreading, and provide sound defense against outside threat (Wulf, Internationalizing and Privatizing War and Peace 2005, 181).” Private security firms have offered their services to the United Nations when no member state would offer up troops. The Security Council vetoed both hiring the private firm and sending a peace-keeping mission, thereby leaving the Great Lakes region of Africa without aid (Wulf, Internationalizing and Privatizing War and Peace 2005, xi).

The UN has not, however, completely rejected the use of PSCs. Rather, they have pursued attempts to develop a universal oversight or enforced legality strategy for private security, albeit unsuccessfully to date. There is also no standard for characterizing the way that countries utilize PSCs. The United States uses its political clout to obtain contracts from host states for the firms under its umbrella. Sometimes, as in the case of
Executive Outcomes’ operation in Sierra Leone, that pressure is not very subtle, nor beneficial to the host country. The United States is not alone in this practice; the United Kingdom also discreetly applies beneficial pressure for its home firms. Conversely, Israel and South Africa have hard-line approaches to any form of mercenary activity taking place in their countries or even being supported by a source within their countries. These controls and regulations are illustrated by these countries through public condemnation, constituency pressure, and parliamentary awareness (O’Brian 2002, 70). In 2003 the French government adopted a new set of laws (French Penal code L436-1 to L436-5), which forbid mercenary activity using the definition of the Protocol Additional to the Geneva Conventions of 12 August 1949 (French Penal Code 2003). Since the Convention defines a mercenary in part as someone who “does, in fact, take a direct part in the hostilities,” French PSCs and external PSCs contracted by the French government have flexibility to maneuver around the legislation (so long as they do not take direct part in the hostilities) (Protocol Additional to the Geneva Conventions of 12 August 1949, and relating to the Protection of Victims of International Armed Conflicts 1977).

2.4 Conclusion

The primary focus for increasing state capacity must be legitimacy. The populace of the host state, as well as the international community, judges a government by its adherence to the rule of law. In addition to attaining legitimacy, a government must maintain control over its military, successfully tax its population, enforce order, and maintain a monopoly on power. In the next chapter, I will argue that simply having these resources is not adequate; power must be exercised to increase state capacity. When a private firm is contracted to improve any of these categories, the ability for the opposite
result (a decrease in state capacity) is prevalent. The state must be viewed as the holder of the principal means of coercion, and the principle enforcer of justice and punishment.

It is further possible that, even if a PSC is successful at supporting (rather than replacing) the state in these tasks, the international system could be weakened by the values and norms of the Westphalian system being undermined.

Clearly, private forces are being used today, and the system maintains some form of functionality. This has also been true in the past. Tilly’s stages of European warfare show previous, successful, mercenary involvement. War can drive state formation, and it has happened when private firms or individuals have been given tasks that are normally considered government functions. The next chapter will trace the use of private forces through the lens of Tilly’s tally on war and state formation.
Chapter 3: Tilly’s Tally on Private Security

In the United States prostitution is illegal in most states, but not in Nevada. Underage sex is outlawed, unless an underage bride is married off ‘legally.’ Gambling is illegal in most states, but not when it involves ‘Indian reservations’ or state-sanctioned gambling. Many non-medicinal drugs are classified as illicit, but not alcohol and tobacco, both of which are powerfully addictive. It is illegal to acquire some categories of firearms, but plenty of other categories are legally and easily purchased at local retail outlets. In a word, many markets for functionally identical goods or services exist, yet a part of these markets is deemed legal, another is not. Which is which depends on social mores – the ethics of the group or groups in question (Brauer 2008, 109).

Jurgen Brauer

3.1 The Privatization of Force, Past and Present

Over the course of the past millennium the norms regarding the use of private force have shifted back and forth like a pendulum. During the growth of the Western states, use of private force was viewed as commonplace, forbidden, and then (more recently) deemed acceptable again. Whereas certain types of mercenary activity are once again en vogue, the privatization of the twentieth and twenty-first centuries is drastically different from prior times. The West celebrates the triumph of capitalism, and privatization reaches into every aspect of the United States governance. The states which most fiercely resisted capitalism have now embraced the economic system with China and India welcoming the “trans-national juggernaut” of capitalism (Ukpere and Slabbert 2008). Core competencies of the United States military and the United States provision of foreign aid have been privatized. Contractors are an entrenched part of the international security culture.

Herbert Wulf proposes two main lenses through which to consider privatization: pre-modern versus post-modern, and bottom-up versus top-down. Pre-modern
privatization occurred primarily without state oversight or even concern for the will of the state, though states were prone to employ such free agents for their own conquests as well. Non-state actors involved in pre-modern privatization were motivated primarily by their own political and economic gain. Bottom-up privatization was driven by the individual mercenary (i.e., the soldier on the bottom of the political hierarchy), while top-down privatization was driven by the state (i.e., the top). As such, PSCs are an example of a form of top-down privatization.\textsuperscript{17} The current era is indicative of Wulf’s post-modern privatization: Deliberate actions taken by governments, based mainly on the assumption that competitive market forces of the private sector will be able to do the job better, faster, and cheaper, promote the existence and continued use of PSCs (Wulf, Privatization of Security, International Interventions, and Democratic Control of Armed Forces 2008, 192).

In previous eras, the reason for privatization was not the belief in the virtues of the private sector but rather that of necessity and the road to power. Charles Tilly’s different stages of modern Western history provide a roadmap for the growth of mercenarism activity.\textsuperscript{18} Historical mercenarism, up to and including the ability to purchase the services of a full army on the international market, was the only definition for private force at the time and looks little like the PSCs of today. As states consolidated under the Westphalian system, the use of mercenaries decreased. Concerns for the state

\textsuperscript{17} There are various acronyms used to refer to these companies. PMC (private military company) and PSC (private security company) are often used interchangeably by the academic community. For some scholars there is a clear divide between what type of firm should be considered a PMC (a firm who provides direct support for force) and PSC (a firm who supports the military in means other than direct support of force.) British scholars have shown a preference for PSMC (private security and military company.) Regardless, PSC has become more dominate in usage and thus is being used for this study, but the reader should be aware of an ongoing debate in terminology within the field.

\textsuperscript{18} Uwe Steinhoff provides a working definition for mercenary activity: ”A mercenary is a person who sells service of taking part in hostilities to groups other than his own (in terms of nation, ethnic group, class, etc) and is ready to deliver this service even if this involves taking part in hostilities (Steinhoff 2008, 19).”
maintaining its monopoly on power began to decline when balanced against the political and economic motives for privatized contract force discussed in the prior chapter.

Mercenary use declined sharply in the 19th century, due to states’ concerns regarding the consolidation of state power, both in terms of the appearance of neutrality and the desire (or ability) to strengthen the power and control of the state. In the late 20th century, this trend began to reverse as the ideals of privatization and free trade became widespread: Not only did the push to privatize provide fertile ground for private security as an industry, but the decline of military size in response to a growing first-world distaste for war in general allowed states to maintain (or even increase) military involvement throughout the world. These processes have given increased weight to the argument for private security: Since the first Gulf War, the raw number of soldiers in the United States military is argued to have declined by 35% (Spearin, Privatized Peace? Assessing the interplay between states, humanitarians, and private security companies 2008, 208). The decline of the military also provided a surplus of out-of-work soldiers, who have constituted a steady stream of willing employees for nascent private military firms. Indeed, as shown by the following graphs, the decline of the national military after the Cold War was matched by the growth of private force.
Figure 3.1 United States Troop Count 1985 - 2005

Figure 3.2 United Kingdom Troop Count 1991 – 2005
Together, this indicates that in the modern era, privatization is accepted. In the United States, health care, financial institutions, and jails have also been privatized. Aspects of the military have followed suit, with the Iraq war constituting the most visible use of contractors in the modern world. While the executive branch of United States government (most clearly shown through the Department of Defense) has embraced the triumphalism of capitalism when it comes to PSCs there have been notable objections and concerns. The legislative branch (especially the committees focusing on government oversight) has expressed grave concerns regarding lack of contracting oversight, competitive awards, illegal activity done in the name of the United States, and the cost effectiveness of contractors.

There is a different outcry other than the simply logistical, and that is the fear that the privatizing the core competency of the military is simply wrong. This objection to privatizing force appears to be normative; private security is replacing a specific duty or task that should be the state’s job. This opposition, however, is not give precedence to the United States’ history of military outsourcing. Private companies have been handling aspects of military logistics since at least the Vietnam War, during which the United States military was at its largest point to date. PSCs managed and maintained military barracks, tracked fleets of vehicles, provided uniforms, and coordinated other more sundry tasks (Wulf, Privatization of Security, International Interventions, and Democratic Control of Armed Forces 2008, 193). Since the Cold War, however, use of private logistical support has increased dramatically.

In this normative debate lies the distinction between old and new wars. There is a conception that, at the end of the Cold War, the nature of warfare itself changed.
Kalyvas’s review of the civil-war literature summarizes this outlook: “In old civil wars acts of violence were controlled and disciplined, especially when committed by rebels; in new civil wars gratuitous and senseless violence is meted out by undisciplined militias, private armies, and independent warlords for whom winning may not even be an objective (102).” It is into this “new war” distinction that much of the normative reaction against PSCs takes place. However, such reactions are not unfounded. Contractors have been implicated in a host of crimes (the shootings of civilians at Nusoor Square, the drunken murder of a vice presidents guard, rape, sex with minors, human trafficking, avoiding the legal system, etc) that only reinforce the concept that violence has been different in old and new wars. Kalyvas’s exploration of the literature and warfare finds that the difference between old and new wars is basically a myth, showing that brutish violence has a legacy which stretches far before that of the Cold War.

Other arguments against private force often based on a fear that a private military firm will “go rogue” by selling its services to another, higher, bidder. This argument is less convincing, as the same arguments could have been (and frequently were) applied to other industries which had this potential: Weapons manufacturing has been privatized for several decades, and had the same potential for unacceptable activity. Though the international community seeks to regulate unauthorized sales of arms from this multibillion dollar industry headed by the United States, Russia, Germany, France and the United Kingdom, yet, other than regulations prohibiting the sale of arms to unauthorized agents, neither the layman nor the international community has been threatened by the design, manufacturing, or distribution of weapons by private firms (Holtom and Bromley 2010).
However, the discussion of private force has received a different public response than the privatization of weapons manufacturing. There is a public sense that soldiering – or supporting soldiers – is the exclusive realm of the state. This is not an *a priori* reaction, but rather the result of the national forces function as a myth-symbol complex.¹⁹ Inclusion in a national force is a clear display of belonging and national identity; the national military provides a unifying point for members of a state – each constituent has the same “brothers (and sisters) in arms.” Private security does not carry the same symbolism or import of a national army. Some militaries still have remnants of a colonial legacy within their pageantry, but these troops are progressively being assimilated into a purely nationalized model, even as the purely nationalized model morphs into and collides with privatization. The most visible example of foreigners serving in a national army – the United Kingdom’s Gurkha – are now offered full rights of settlement within the United Kingdom after four years of service (BBC News 2009). While immigration is certainly a form of payment for non-national soldiers serving (one might even say contracting) in the United Kingdom’s army, it is a form of payment that strengthens a sense of nationalism and belonging amongst the Gurkha. Private contractors are separated from a sense of belonging to the state by the distance of “corporate cash.”

Another normative objection to use of PSCs is based on the ideal of duty and service that a model citizen should perform. Charles Tilly postulated that war, as a state-building process, “minimized the cultural variation within states and maximized the variation amongst states (Tilly and Ardant, The Formation of National States in Western

¹⁹ For more information see Benedict Anderson’s 2008 *Imagined Communities* or Anthony Smith’s 1999 *Myths and Memories of the Nation.*
Europe 1975, 19).” In the United States this is especially shown through the integration of a Calvinistic model of civil responsibility, which took deep root in the United States armed forces. This heritage began from the volunteer army that fought the Revolutionary War, in contrast to the opposing British forces, most notably the impressments (conscriptions) by the Royal Navy. Since Tocqueville, there has been a high awareness of Americans’ strong senses of civic duty and association. This civic volunteerism is seen in many aspects of American life, such as volunteer firefighters who risk their lives for their city or state, and those who engage in civil disobedience in order to promote their ideals while maintaining a civil state rather than resorting to violent means. There is a shared ideal driving effort to be put forth to protect the public good. If this ideal is truly nationalized, with members of a constituency willing to lay down their lives for their government or sense of national identity, it implies that the state is righteous and benign, and thus trustworthy.

Private security may not have the same passion or belief in the cause as national troops, making them a much greater risk. Ergo, there is fear that these private forces may hesitate or withdraw when contractor’s lives are on the line, or work against the public interest when the situations become difficult and expensive (Baker 2008, 33). This argument is related to a broader concern that private security inherently needs conflict to survive: Much as the automotive industry is threatened by an increase in use of public transit, without war there is no need to outsource military functions (Runzo 2008, 65). Thus, peace may well be in the interest of a state military, but not necessarily on the interest of a military contractor, whether a CEO, a manager, or a rank-and-file employee. This provides another reason to worry that PSCs may attempt to find ways to continue
the conflict or not truly push for resolution, much as the auto industry actively (and successfully) opposed the electric streetcar in favor of busses. It is assumed the state has no such desire, and the national soldier’s patriotism overcomes this drive for conflict.

Not all PSC employees would agree: Rusty Rossey, a contractor as well as a Vietnam veteran, passionately declared his love for his country: “When people hear the word mercenary, they think of a guy running around with a machine gun… I’m no mercenary, I’m a professional soldier and a businessman -- a concerned, patriotic American (Silverstein, Private Warriors 2000, 157).”

The ideal of a citizen-solider is embedded within the popular culture of the United States. A powerful example of the deliberate creation of a national identity tied to the armed forces is the National Guard’s 2007 recruitment drive. The Guard contracted a popular alternative band – Three Doors Down – to create a song and music video. The lyrics of the song, aptly titled “Citizen/Solider,” focus on the ideal that the armed guard forces will never quit: They will guard their brothers and sisters, and they will always “be there.” The music video uses subtitles to further convey the ethos of an idealized soldier: “I will always place the mission first, I will never accept defeat, I will never quit, I will never leave a fallen comrade (Three Doors Down 2008).” Private security forces are perceived to fall outside of this created image of the perfect solider, even as the use of private security by the United States increases.

This change from civic responsibility to profit-driven militarism is also evocative of the Marian Reforms of the late Roman Empire. At first a positive and resounding success in increasing the power and size of the army, these reforms soon led to military governance: Generals developed private fiefdoms, and many believe this to be one cause
for the weakening (and eventual fall) of the Roman Empire (Hildinger 2002). In sum, issues pertaining to the level of states’ control (rather than individual or corporate control) over force were a point of political dissidence in Europe as early as the Roman Empire. In Europe’s early modern period and up until the current day, the use, abolishment, and integration of private force have been a political issue as well as a contributor to state-building.

3.2 Tilly’s Framework for European Warfare

Throughout history, private forces have been used in European wars. This is because war has never been waged simply via the recruitment and financing of troops: supplying logistics and subsistence for troops is an equally important part of warfare. This expensive requirement to provide supplies for a standing army drove those who desired to engage in conflict to seek manpower in other ways, including the private sector. This was true of kings, feudal lords, and military entrepreneurs. Raising an army via financial incentive alone became a viable solution; war became a “well-oiled business (Tilly, Coercion, Capital, and European States, AD 990-1990 1990, 81).” States – which may be a generous term in some of these time periods - engaged in war often did not have the resources to support the logistics and turned to private support to either provide basic provisions for their soldiers or simply purchase an army. The use of private force in the supplementing of national forces has precedent in the form of the Italian condotteire and German Unternehme, navies hiring freemen as sailors, privateers, regiments rented and placed under control of a national general, and the Hessians in the American Revolution (Tilly, Coercion, Capital, and European States, AD 990-1990 1990, 81).
Charles Tilly separates the growth of modern European warfare into four stages. The first is *patrimonialism*. This was the time of soldiers selling their sword to the highest bidder (The World Campaign for Human Rights 2002, 5): “freebooting soldiers from north of the Alps had sold their services to princes, actual and aspiring, all through the Mediterranean (Tilly, Coercion, Capital, and European States, AD 990-1990 1990, 80).” This was common in the feudal chain as well: Vassals wanted the most return for the promise of their troops to a liege lord, who would in turn provide vassals to a monarch. When the acquired troop numbers were lacking, feudal lords would turn to private force. In *patrimonialism*, warfare combined with revenue was focused around tribes, feudal relationships, and urban militias. Rulers received revenue through tribute and rents on resources under their (and their vassals’) immediate control. The relationship between ruler and those who supplied troops was personal and had contractual limits; the size of the armed force a monarch could raise depended on direct retainers, vassals, and militias (Tilly, Coercion, Capital, and European States, AD 990-1990 1990, 53). The restrictions on feudal relationships (e.g., knights only had to serve for a limited amount of time per year and were not required to serve abroad) also pushed feudal lords toward the use of private force (Mockler 1987, 25).

The period of *patrimonialism* lasted until the early 15th century, when the European world switched to a system Tilly referred to as *brokerage*. This was a period wherein executive functions were increasingly contracted as well. Before this period, rulers had focused on extraction of resources and revenue in order to finance conflict, while during the brokerage period, rulers turned to independent merchants for loans, financial management, and tax collection. Both these warriors and merchants retained
significant freedom in their actions and loyalty. While during the *patrimonialism* period these contractors would have been hired alone or in small groups, in the *brokerage* period entire armies were available at market. Previously, generals were employed by a hiring force, whereas in this period even the command structure was hired. During this period, standing national armies were basically unheard of (with the exception of France and the army in Burgundy). Even so, this period was critical for European state formation dating from the 15th century through the 19th. As such, today’s European states exist due in no small part to a process dependent on private force that was cobbled together from mercenaries, feudal ties to princes, and citizen militias (Tilly, *Coercion, Capital, and European States*, AD 990-1990 1990, 81).

By the end of the 18th century, most states formed their own standing armies. This nationalization of the military is indicative of the switch from *brokerage* to the aptly named *nationalization* phase of European history. The armed forces of this period were under the direct power of the state as control over military forces and populations were intentionally assimilated into the state by the ruling elite. Eventually, reliance on mercenaries was abandoned as a viable option as states began to employ their own soldiers, often through hiring or conscription of their populace (United Nations 2002, 5). Taxation and fiscal policy came firmly under control of the monarchs as well, and contractors were eliminated in the name of “state strength.”

The growth of the international system made the unregulated impact of individual citizen’s actions problematic for individual states. This was especially true of the actions of individual (i.e., private) soldiers: When a state’s nationals assisted belligerents in conflict with other states, outside observers could find it difficult to determine if the
actions were private or state sponsored. The desire of political elites to ensure control over both the structures of the state and policy - including the activities of citizens – made it necessary for the state to be able to either claim (or deny) responsibility for actions taken against other states; as such, many states became discontent with mercenary activity, no matter the terms (United Nations 2002, 5). A similar concurrent development was the increase in desire for states to cement their hold on power in order to shape the future of the state system. England was especially successful: “the Tudors suppressed private armies, reduced the princely power of great lords along the Scottish border, contained aristocratic violence, and eliminated the fortress castles that once announced the power the autonomy of the great English magnates (Tilly, Coercion, Capital, and European States, AD 990-1990 1990, 69).” Whereas the use of private security peaked in the 17th century, the consolidation of states throughout the 18th resulted in the decline of the use of private force. During the brokerage period, private “security” operated as a primary vehicle for armed conflict resolution; under nationalism, this changed quite dramatically (Tilly, Coercion, Capital, and European States, AD 990-1990 1990, 84).

In the following age of specialization, armies were already nationalized and the monopoly of violence was firmly in the control of the nation-state. National armies, backed by (and providing) a large variety of state functions, became part of the apparatus of the state itself (Tilly, Coercion, Capital, and European States, AD 990-1990 1990, 53). Each compartment of the government was separate, and each reported directly to the ruling body of the state. Additionally, each branch of the government had its own distinct purpose or charter (no matter how functionally similar); police and armed forces do not overlap and tax bureaus do not issue money. These divisions of labor arose from the
growth of large bulbous states in the interest of the consolidation of power, leading to a strong central bureaucracy: There was no longer a reason to outsource power (Tilly, Coercion, Capital, and European States, AD 990-1990 1990, 29).

During the period of nationalization, traditional mercenaries all but vanished. In this stage, “mercenaries” exist only in myth, legend, movies, and pockets of chaos in Africa. The privatization of force has changed, perhaps bringing us to a fifth stage not mentioned in Tilly’s taxidermy. The last time a state raised a true army of mercenaries was in 1854, when Britain purchased an army to fight the Crimean War. Even then, the hired soldiers never saw battle (Thomson 1994, 88).” The only formal holdover from the time of brokerage is the Nepalese Gurkahs. From 1857 to 1947 the Nepalese government loaned its colonial overlords troops, who were known as the British Indian Army. With the tripartite agreement of 1947, the Gurkah units were split between the Indian Army and the British Indian Army. Since 2008, the Maoist ruling party of Nepal has discussed discontinuation of the practice of allowing nationals to serve in foreign armies, as this practice is considered “humiliating,” and more tellingly, “mercenary (Mukherjee 2008).”

3.3 The Nationalization of Force

I postulate that this resurgence of foreign and private force indicates that the current has era entered a fifth, newer, phase of Tilly’s stages of Western development called incorporation. In order to explain the resurgence of private force shown in the transition from specialization to incorporation, it is necessary to discuss the route to the nationalization of force and the changes to Western security culture.
Janice Thomson’s 1994 work Mercenaries, Pirates, and Sovereigns claims that “violence, which for three or four centuries was an international market commodity, was by 1900 taken off the market. States could no longer buy an army or navy from the international system (Thomson 1994, 19).” Effectively, the world had changed as Thompson’s book was being published: Force is again for sale. Executive Outcomes was hired in 1995 by Sierra Leone to save its government, and today the second largest force in the Iraq war is a force of private contractors. It was reported by Mother Jones that Blackwater (then known as Xe, now known as Academi) was planning on creating a rapid-deployment military unit under the name “Greystone (Falconer and Schulman 2008).” The first iteration of front page of Greystone’s website displayed evocative imagery of armed guards with K-9 support.

Challengers to the state system are able to hire force: PSCs have been suggested as an effective and inexpensive option for peace operations (World Tribune 2006). Non-state actors such as the United Nations and humanitarian NGOs have increased their dependency on private security: “Though an exceptional practice, contracted armed security has been used at various times by virtually all major international humanitarian actors (ODI Humanitarian Policy Group 2008).” While private firms have pushed to be more of a “one-stop shop” for humanitarian support, NGOs vary in their hiring practices depending on the local culture, customs, and level of danger. Private security faces “considerable resistance within the humanitarian community,” even as these firms are employed by the same community (ODI Humanitarian Policy Group 2008). During the

20 The website can be found at http://www.greystone-ltd.com/ The heavily securitized images have now been replaced with airplanes and the marketing has moved from focused on direct military support to aviation, personnel, and training support.
ten years following Thompson’s publication (1994 – 2004), the Western model of armed forces has significantly relaxed from being comprised of a pure national army to include increased use of private security.

To recap, the nationalization of a modern army is only several hundred years old; it occurred at the same time as the formation of the nation-state. Since the French Revolution, citizen armies have reigned supreme as providers of force (Wulf, Internationalizing and Privatizing War and Peace 2005, 20). This Revolution cemented the idea that war was a communal effort of a nation and that war was the obligation of the citizen: to be involved of the defense of his or her state. 21 The path the of the Weberian state’s ascension in Europe is clear when one observes how security was handled over the last two hundred years; it is “reflected in the elimination of private armies, internal pacification, the emergence of a state system with organized and centralized war-making activities in a given territory, and the rise of state controlled regular professional armies (Wulf, Internationalizing and Privatizing War and Peace 2005, 6)” Once the growth of state capacity and the consolidation of power became a goal of the state, control over its citizenry needed to be enhanced. Through the process of nationalizing the control of force, the state secured its claim on the populace’s military service (Thomson 1994, 86).

The nationalization of force occurred as the state grew more powerful through continued (successful) conflict. 22 The ratchet effect, in which inflated wartime spending

---

21 Percy 135
22 Tilly gives five reasons for the civilization of government. 1) efforts to build and sustain military forces led agents of states to build bulky extractive apparatuses staffed by civilians which constrained and contained military forces, (2) agents of states bargained with civilian groups that controlled the resources required for effective war-making and in bargaining gave the civilian groups enforceable claims on the state that further constrained the military, (3) expansion of state capacity in wartime gave those states that had not suffered great losses in war expanded capacity at the end of those wars and took on new activities, (4) participants in war effort acquired claims on the state that they deferred during the way in response to repression or mutual consent but which they reactivated
does not return to its prior level of funding when war is completed, enabled states to increase their power, influence, and military with each successful conflict. Wars create increased extraction of resources and augment state authority, but create debt that the state must then find ways to repay (Tilly, Coercion, Capital, and European States, AD 990-1990 1990, 88). These cause an increase in state capacity, and the state is thereby increasingly able to control the monopoly of force over its citizenry. With this newfound power, states have removed the role of the private control of force from the national agenda, and with it any need for mercenaries. There are two primary arguments for why this happened: firstly, the lack of available mercenary forces, and secondly, that governments and citizens (which were simultaneously becoming more intertwined with the rise of democracy) increasingly came to believe that mercenarism was morally wrong. Thompson is the primary author of the first argument, stating that states were willing to hire private force during the 20th century but were simply unable to do so: The decline in mercenarism resulted from a lack of supply, not a decrease in demand. States created and enforced neutrality laws that forbade their citizenry from selling their services as soldiers of fortune (Thomson 1994, 59). As states held each other accountable for the actions of their citizens, states had less interest in allowing their own citizenry to create unwanted international conflict. This represented a fairly drastic change in procedure on the part of the European states; up until the 19th century; as discussed above, differentiating state-sponsored violence from independent had been challenging. This is at least partially because the fortunes of early rulers were tied to the profitability of their country, and thus it was as difficult to differentiate a political decision from a
personal or economic decision, as the goal (ruler’s wealth) was the same (Thomson 1994, 19).

After the long period of consolidation of state power, however, the private security industry is once again active in the next stage of Western history: incorporation. The creation and acceptance of PSCs blossomed as the Cold War declined and has flourished under neo-liberalists’ preference for privatization (Makokha 2004, 2). The private military industry has been an active part of the history of the Western state. Much as private military usage changed every few centuries during the development of the modern state, the preference for national force has similarly appeared to wane since the decline of the 20th century. Indeed, the 21st century has shown a change in this predilection: earlier, states became disillusioned by the challenges involved in using private force, and building a national army became the priority. These desires were then thwarted by changes in the security culture; the general public came to prefer security in the form of a lack of war and warlike action rather than through a strong military force engaging in routine strength-reinforcing actions, and in incorporation private force has again become considered a viable option.
Table 3.1 Charles Tilly’s Four Stages of European History

<table>
<thead>
<tr>
<th>Stage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Patrimonialism</td>
<td>A time (up to the fifteenth century in much of Europe) when tribes, feudal levies, urban militias, and similar customary forces played the major part in warfare, and monarchs generally extracted what capital they needed as tribute or rent from lands and populations that lay under their immediate control;</td>
</tr>
<tr>
<td>2) Brokerage</td>
<td>An era (roughly 1400 to 1700 in important parts of Europe) when mercenary forces recruited by contractors predominated in military activity, and rulers relied heavily on formally independent capitalists for loans, for management of revenue-producing enterprises, and for installation and collection of taxes;</td>
</tr>
<tr>
<td>3) Nationalism</td>
<td>A period (especially 1700 to 1850 or so in much of Europe) when states created mass armies and natives drawn increasingly from their own national populations, while sovereigns absorbed armed forces directly into the state’s administrative structure, and similarly took over the direct operation of the fiscal apparatus, drastically curtailing the involvement of independent contractors;</td>
</tr>
<tr>
<td>4) Specialization</td>
<td>An age (from approximately the mid-nineteenth century to the recent past) in which military force grew as a powerful specialized branch of national government, the organization separation of fiscal from military activity increased, the division of labor between armies and police sharpened, representative institutions came to have a significant influence over military expenditures, and states took on a greatly expanded range of distributive, regulatory, compensatory, and adjudicative duties.</td>
</tr>
</tbody>
</table>

Proposed Fifth Stage:

5) Incorporation | A period (from the end of the Cold War to present) in which private force became incorporated into the national army so that states could maintain a high level of world-wide influence without increasing troop count or bureaucratic oversight, and aid for foreign countries was increasingly expressed by private contractors, rather than direct national expenditure. |

3.4 Changes in Security Culture

As part of the bargaining to gain the monopoly of force over its citizens, the state accelerated a shift towards indirect rule. Rulers were not accountable to mercenary forces except through means of payment, whereby the nationalization of a military required that the state be forced to answer to its own population which provided both
financial funding and soldier power in the form of conscripts and recruits, effectively sweeping prodigal sons out of the community (Tilly, Coercion, Capital, and European States, AD 990-1990 1990, 103). “…Reliance on mass conscription, confiscatory taxation, and conversion of production to the ends of war made any state vulnerable to popular resistance and answerable to popular demands as never before. From that point onward the character of war changed and the relationship between war-making and civilian politics altered fundamentally (Tilly, Coercion, Capital, and European States, AD 990-1990 1990, 83).”

Schein defines culture as “a pattern of shared basic assumptions that the group has learned as it solved problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems (Schein 1992, 12).” As the conversation about the morality of private security progresses, it has come to focus on the current and rapidly changing security culture of the state and international community.23 With the advent of mass media, questions regarding how basic assumptions regarding private force, and what this means for the acceptability and validity of current and future military actions have entered public discourse. A state’s security culture provides a guideline of acceptable military action and what tools the government has available to it (Longhurt 2004). This covers a broad range of topics, including the use of landmines, torture, child soldiers, etc. Keith Krause defines security culture as “enduring and widely shared beliefs, traditions, attitudes, and symbols that

23 Longhurt posed a similar definition, seeing strategic culture as a distinctive body of beliefs, attitudes, and practices regarding the use of force, which are held by a collective and arise gradually over time, through a unique protracted historical process (Longhurt 2004).
inform the ways in which states/society’s interests and values with respect to security, stability and peace are perceived, articulated and advanced (Croft 2000, 19).” The last five centuries of European history show a large variation in the security culture in regards to private security: First it was acceptable to hire privatized force in small individual amounts; then in larger groups, followed by armies, and finally, not at all; The security culture in the modern era questions the use of private security in warfare situations, but behind-the-scenes support such as building bases or weapons manufacturing has passed public muster with little objection or notice.

The most prevalent part of the Western security culture is what Martin Shaw calls “risk transfer warfare:” “war must minimize causalities to Western troops, the enemy must be killed not only quickly and efficiently but also discretely, and wars must minimize the electoral risk for politicians.”24 This set of logic pushes Western security culture towards private security, as these forces’ causalities do not count as western troops, nor do these forces necessarily have to follow military regulations preventing certain actions that could be used to kill enemies more quickly or efficiently, and they are protected by corporate law from being forced to report tactics, making these processes more discrete. Effectively, this transfers the “risk” out of the political spectrum and into the corporate one—the politicians can blame corporations for messing things up, just as they have for nonmilitary contract work (example), hence the term “risk-transfer” warfare.

This transfer of blame only works for the politicians if the population believes in the validity of the PSCs. If the polity believes its government is consorting with mercenary forces the effectiveness of risk-transfer warfare as a political tool may not be successful. There is a normative sense that individuals who have violated human rights in the cause of war are wrong and must be punished. As the war ended in Sierra Leone there was much political dissent about allowing the Revolutionary United Front to participate in the new government and objections to any discussion of amnesty. The idea was that these individuals had committed horrific crimes and were thus criminals of war rather than political revolutionaries (old war new war (101)). While PSCs are starkly different than the RUF (and, in fact, were used in the fight against the RUF) the discourse regarding right and wrong, and what the consequences of violent action in war, is still something politicians must be wary of. Using PSCs as risk-transfer warfare could end up with significant political blowback. In the next chapter I will argue that PSCs have become an accepted part of Western (especially United States) security culture. As such, this risk of blowback is low. However, if PSCs were to be seen by the body politic as mercenaries, using these firms in risk-transfer warfare could be foolhardy.

3.5 Conclusion

The development of Western states and their military forces is deeply embedded with private force. The current post-modern privatization is based on two main concepts: 1) the supremacy of the free market and 2) risk-transfer warfare. Pre-modern privatization operated without a strong, stable state and focused on private security as a means to secure of troops. Charles Tilly’s stages of Western history transverse both types of privatization: *patrimonialism* and *brokerage* focus on the gathering and deployment of
troops for war, whereas *nationalization* and *specialization* are more concerned with the state’s gathering and maintenance of its own power. With the current focus on post-modern privatization, a fifth stage – *incorporation* -- is required in Tilly’s framework of Western history.

As is indicated by the term “modern,” the concept of a modern, national army is new. Much as mercenary armies were used to form states and strengthen them when necessary, nationalism swept through the West once nation-states had been created, and the army evolved to became the sacrosanct realm of the state. This process occurred through a change in security culture, and this culture continues to adapt; the assumptions and norms of the state and its population altered to view the armed forces as a matter of civic duty and national identity, and they have been further altered since. At the beginning of the 21st century, these norms are again being amended. Private security has blossomed since the end of the Cold War, and the question faced by the United States is how to effectively use PSCs as a tool to bring about their apparent military goal in the 21st century: International stability through strong, self-reliant states.
Chapter 4: To Train an Army
Case Study of Croatia

In early 1995, Croatian forces “consisted of criminal rabble, a bunch of fucking losers. MPRI turned them into something resembling an army.”

Mark Milstein, as quoted by Ken Silverstein

4.1 Introductory Remarks

The first significant PSC activity of the post Cold War era took place after Yugoslavia dissolved. This chapter focuses on the Croatian aspect of the early 1990s Balkan’s conflict, and the United States firm that was contracted to assist with modernizing the Croat military. Military Resource Professionals Inc (MPRI) was successful in its involvement in Croatia, and Croatia was positively impacted by the presence of the PSC. In the cases being covered, Croatia is the example of welcome, and lasting positive change directed by a PSC. The question is thus why – what happened in Croatia that caused a PSC to increase state capacity?

In order to explore this question, the queries postulated in the methods section will be investigated and applied to each case. To recap, these questions are: Is the PSC intentionally deployed? Does the PSC cause any change in capacity (i.e.: does the state control governance, does the state provide basic services, and has this changed based on PSC involvement?) Is the PSC focused on building institutions? Is the PSC subject to the rule of law? Is the PSC seen as legitimate by the population? By looking at a snapshot of Croatia in 1994 – 1995, and comparing it to the other cases, it may be possible to view trends for success and failure that will help guide future conflicts.
4.1.2 Brief Overview - What happened in Croatia?

The dissolution of Yugoslavia into nascent states was a turbulent process and created fears that the destabilization would not be localized. The policy trajectories of the Cold War dictated that the United States needed a proxy in the region who would be willing to bandwagon with United States goals. It appeared that Serbia would emerge as the dominant power in the region; it maintained most of Yugoslavia’s armaments and had the support of the Soviet Union (and later Russia.) The United States viewed Serbia as an emerging challenger who needed to be counterbalanced (Cowell 1995). Croatia was not only attempting to transition to democracy, but could also provide a gateway and staging area for Bosnia and Herzegovina. As will be shown in chapter 5 [Bosnia], this Western foothold became critically important in the Bosnia War, as most arms that entered Bosnia and Herzegovina to fight against the Republika Srpska came through Croatia.

The United States desired the unfolding crisis in the Balkans to be handled by Europe. As the situation devolved and European pacing and goals became unaligned with Washington, the United States increased diplomatic pressure and interest in Croatia. The United States had multiple incentives for increasing the power of the Croatian state. Not only did Washington desire a regional balancer against Serbia that was favorable and willing to bandwagon with the United States, but it was also important to President Clinton to show decisive and effective progress in former Yugoslavia as domestic elections in the United States approached (Pukanic 2005). The United States interest focused on empowering Croatia and working with NATO for a solution without direct United States involvement. While Croatia only has half the population of Serbia, with
international backing and support it was possible that they could – and did – become the centerpiece of United States strategy to maintain stability in the Balkans. (Silber and Little 1996, 353)

In 1991, United Nations Security Council Resolution 713 “immediately implement[ed] a general and complete embargo on all deliveries of weapons and military equipment to Yugoslavia until the Security Council decides otherwise” (United Nations 1991). This embargo made it impossible for the United States to offer direct assistance. As Shawn Engbrecht points out, these embargos only came with “provisions prohibiting the training of either side by the regular armed forces of any third-party country (Engbrecht 2011, 77).” Tensions in the Balkans grew; Slovenia became independent, the Republic of Serbian Krajina is founded through war and the Bosnia war began. Croatia became increasing interested in international assistance against Serbian aggression.

After the 1994 Washington Agreement, Croatia requested permission from the United States State Department to negotiate with MPRI (Isenberg, Soldiers of Fortune Ltd: A Profile of Today's Private Sector Corporate Mercenary Firms 1997, 10). Both states desired to see the Croatia military westernize. Croatia wished to become eligible to join NATO’s Partnership for Peace (PfP), while the United States desired a stable ally in the Balkans. Dialogue between the firm and Zagreb led to Croatia hiring MPRI for two contracts – a long-range management planning contract and a Democracy Transition Assistance Program (DTAP). Lt General Harry “Ed” Soyster, member of the Military Intelligence Hall of Fame, former commanding General of the United States Army Intelligence and Security Command, former Director of the Defense Intelligence Agency, and Vice President of Overseas Operations of MPRI at the time of the Balkans conflict,
was quoted in the New York Times as summarizing their involvement: "We [MPRI] have a contract with the Croatian Defense Ministry to provide training in transforming the army from an Eastern army to a Western army." Soyster is an excellent example MPRI’s capability of guiding such Westernization; the amount of retired military personnel which work for MPRI is immense (Cowell 1995). MPRI provides military training and analysis both in the United States and abroad, and seemed to be a suitable fit to provide similar services for Croatia. As soon as contracts were signed, MPRI undertook modernizing and democratizing the Croatian military (Mandel 2001, 142).

The two contracts that MPRI signed with Croatia were approved by the United States State Department, and in January of 2005 the private firm began the training programs (Foreign and Commonwealth Office 2002). MPRI is viewed as being highly successful in fulfilling these contracts as demonstrated by the Croatian military’s success in Operation Storm in 1995. Operation Storm was the largest land-based military offensive since World War II, and it completely re-orientated the balance of power in the Balkans (Sisk n.d.). This offensive allowed Croatia to again be physically unified (rather than being two separated segments) by retaking land that ethnic Serbs had claimed self-rule over in 1991. While MPRI will continuously be haunted by accusations that their contractors were directly involved in Operation Storm, there is no doubt that their expertise and training directly improved the quality of the Croatian army. In Servants of War: Private Military Corporations and the Profit of Conflict, Uesseler describes the massive improvement: “The unofficial “Croatian army” had been routed by Serbian forces, but within a few months, MPRI succeeded in forming members of the Croatian mafia, paramilitary groups, irregular militias, police officers, and some regular army
soldiers into combat ready troops. A military leadership was established and acquainted with the latest forms and techniques of warfare (Uesseler 2008, 72).”

MPRI’s assistance proved enormously valuable for Croatia both in restructuring the military and as a clear show of United States support. Seven months after MPRI began training – August 1995 – the Croatian army successfully reclaimed the Krajina region and once again became a unified country. (Mandel 2001, 142) MPRI’s training was thorough: the offensive “utilized typical American operational tactics, including integrated air, artillery and infantry movements, and the use of maneuver warfighting [sic] techniques to destroy Serbian command and control networks (Isenberg, Soldiers of Fortune Ltd: A Profile of Today's Private Sector Corporate Mercenary Firms 1997, 10).”

The Assistant Secretary of State for European and Eurasian Affairs at this time, Richard Holbrooke, spoke to how important Croatia’s almost total victory in Operation Storm was for the United States: “The abandonment of the Croatian Serbs by Milosevic eliminated one of our greatest fears – that Belgrade would re-enter the war” (Holbrooke 1998, 73). Operation Storm changed the balance of power in the region and made the Dayton Accords possible. This success has been attributed to MPRI, as its training gave a rag-tag force the ability to morph into a fully modern fighting machine.
Table 4.1 Timeline of the Croatian Conflict

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 1991</td>
<td>Croatia declares independence from Yugoslavia</td>
</tr>
<tr>
<td>September 1991</td>
<td>Croatia War of Independence starts</td>
</tr>
<tr>
<td>September 1991</td>
<td>UN Embargo on the Yugoslav Region</td>
</tr>
<tr>
<td>December 1991</td>
<td>Republic of Serbian Krajina declares independence</td>
</tr>
<tr>
<td>April 1992</td>
<td>Bosnia War begins</td>
</tr>
<tr>
<td>May 1992</td>
<td>UN recognizes Serbia, Croatia, and Slovenia as sovereign states</td>
</tr>
<tr>
<td>March 1994</td>
<td>Croatia asks United States permission to contract with MPRI</td>
</tr>
<tr>
<td>Mid-1994</td>
<td>MPRI hired by United States to monitor border sanctions</td>
</tr>
<tr>
<td>September 1994</td>
<td>State Department licenses MPRI to work in Croatia</td>
</tr>
<tr>
<td>January 1995</td>
<td>MPRI’s Long-Range Management Program begins</td>
</tr>
<tr>
<td>April 1995</td>
<td>MPRI’s Democracy Transition Assistance Program begins</td>
</tr>
<tr>
<td>July 1995</td>
<td>MPRI has multiple meetings with Croatian Generals</td>
</tr>
<tr>
<td>August 1995</td>
<td>Operation Storm – Krajina reclaimed by Croatia</td>
</tr>
<tr>
<td>December 1995</td>
<td>Dayton Accords</td>
</tr>
</tbody>
</table>

---

25 Croatian Defense Minister Gojko Susak requested permission from the U.S. deputy secretary of defense to negotiate with MPRI in March of 1994 seeking training “in military-civilian relations, program and budget” for its military leaders (Zarate 1998, 106).

26 The United States State Department contracted MPRI to provide 20 of the 45 border monitors that monitored the Serbian sanctions. MPRI would later provide all 45 border monitors (Shearer 1998, 58).


28 (Shearer 1998, 58) (Singer, Corporate Warriors, The Rise of the Privatized Military Industry 2004, 125)

29 (Shearer 1998, 58) (Singer, Corporate Warriors, The Rise of the Privatized Military Industry 2004, 126)

30 While the agreement was concluded in Dayton, Ohio in November 21, 1995, the formal signing/implementation did not take place until December 14, 1995 in Paris when the French, US, UK, German, and Russian heads of state gathered to sign the Accords.
4.1.3 The company in question: Who is MPRI?

*If you’re an ex-communist country, then MPRI are they guys for you. US army major inside Debelde.* (Jennings 2001)

Military Professional Resources Incorporated (MPRI) is one of the most widely deployed PSCs. MPRI is not a small firm, nor is it one that can be called a shadow company. It was founded in 1987 by eight former United States senior military officers, and, in 2000, MPRI was purchased by L-3 Communications, one of the largest United States defense contractors (Isenberg, Soldiers of Fortune Ltd: A Profile of Today’s Private Sector Corporate Mercenary Firms 1997, 10). In the fiscal year 2009 alone, L-3 received seven billion dollars in revenue from the United States (US GSA n.d.). In 2001, MPRI’s spokesman pointed out that most people with a 401(k) are likely to be an investor in MPRI, since L-3 is a publically traded corporation (Uesseler 2008, 33).

It is no accident that MPRI is located in Alexandria, Virginia, exceedingly close to the Pentagon. MPRI works closely with the Pentagon and is often considered a tool of United States foreign policy. Their staff list reads like a who’s who of past American generals and high-ranking military officials (Silverstein, Private Warriors 2000, xv, 143). Of the thirteen senior staff members listed on the firm’s website, eleven of them are former military officers (the two exceptions are the CFO – the only woman – and the president of a subsidiary economic development firm.) The President of MPRI, Bantz John Craddock, was formerly the Supreme Allied Commander Europe (SACEUR) and Commander in Chief of the United States European Command, and MPRI’s chief of staff (James L. Campbell) was previously the Director of the Army Staff (MPRI n.d.). Their former advertising slogan - "the greatest corporate assemblage of military expertise in the
world” - is strongly supported by their staff listing, which also includes a former Army Chief of Staff and a former Commander of the United States Army in Europe (Isenberg, Soldiers of Fortune Ltd: A Profile of Today's Private Sector Corporate Mercenary Firms 1997, 10). As one of the many military decorated MPRI officers succinctly put it - “We’ve got more generals per square foot here than in the Pentagon (Singer, Corporate Warriors, The Rise of the Privatized Military Industry 2004, 119).” The person quoted, Soyster, was a general himself. There is no doubt that MPRI is deeply tied in to the American military, to the point where the firm runs training programs and even write manuals for the United States Armed Forces (Silverstein, Private Warriors 2000, 170).

The New York Times notes that it is almost impossible to tell the difference between MPRI and the United States military. From 1998 to 2002, MPRI ran the ROTC programs at over 200 universities. The company currently provides veterans (who are now MPRI contractors) to staff United States recruiting offices for all of the armed services (Wayne 2002). The United States Army has given MPRI permission to appear in uniform in front of cadets, making it impossible to tell who is a contractor or who is an active-duty member of the military (Uesseler 2008, 70). One of the things that made the United States feel that MPRI would be a perfect fit for Croatia is that the firm’s claims experience with military education. James Davis reports that MPRI assisted with program curriculum and has provided instructors at the United States War Colleges and other military training programs, as well as advanced seminars at Fort Sill, Fort Knox,
and Fort Lee (Davis 2003, 170) (Uesseler 2008, 70). The Pentagon also contracted MPRI to write several of its military handbooks. One of them is called “Contractors Support on the Battlefield” that dictates United States Army behavior towards contractors…such as MPRI (Wayne 2002). MPRI’s has primarily focused on supporting United States domestic agencies. David Isenberg lists the agencies MPRI has worked for in 1997: “Department of State, Office of the Secretary of Defense, Advanced Research Projects Agency, The U.S. National Defense University, Office of the Joint Chiefs of Staff, U.S. Army War College, Headquarters Department of the Army Deputy Chief of Staff for Operations and Plans, Headquarters Department of the Army Deputy Chief of Staff for Logistics, and the U.S. Army (Isenberg, Soldiers of Fortune Ltd: A Profile of Today's Private Sector Corporate Mercenary Firms 1997, 11).” MPRI is active in all 50 states and Washington DC (MPRI n.d.).

MPRI is not only active domestically, but is also world-wide. While this study only focuses on four international cases, it would be faulty to assume these are the only places MPRI is active. Showing its diverse and impressive scope, only one PSC – MPRI - is present in all four cases (DynCorp is active in Bosnia, Afghanistan, and Iraq, but was not active in Croatia.) MPRI runs a worldwide operation that is capable of providing its clients with training on advanced weapons systems, doctrinal analysis, civil-military relations, military leadership seminars, war-gaming, and almost any form of military training imaginable (Isenberg, Soldiers of Fortune Ltd: A Profile of Today's Private

32 In January 2011, MPRI’s website lists jobs in 19 different countries. These range in places as diverse as Libya to Paraguay to the United States. (MPRI n.d.)
Sector Corporate Mercenary Firms 1997, 10) (Singer, Corporate Warriors, The Rise of the Privatized Military Industry 2004, 122). The firm claims to be able to “be able to perform any task or accomplish any mission requiring defence related expertise, military skills short of combat operations (or generalised skills acquired through military service), law enforcement expertise, and leadership development (Kinsey, Corporate Soldiers and International Security 2006, 24).”

MPRI has been active in Bahamas, Barbados, Dominica, Dominican Republic, Haiti, Jamaica, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Peru, Uganda, Belgium, Germany, Portugal, Albania, Bosnia, Croatia, Cyprus, Kosovo, Macedonia, Montenegro, Serbia, Benin, Equatorial Guinea, Ghana, Liberia, Morocco, Niger, Nigeria, Namibia, Rwanda, Senegal, South Africa, Sudan, Egypt, Iraq, Jordan, Kuwait, United Arab Emirates, Armenia, Azerbaijan, Georgia, Bulgaria, Lithuania, Latvia, Moldova, Poland, Russia, Ukraine, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan, Afghanistan, Bangladesh, India, Pakistan, Sri Lanka, China, East Timor, Hong Kong, Indonesia, Malaysia, Singapore, South Korea, Taiwan, Thailand, Australia, Papua New Guinea, and New Zealand (MPRI n.d.). It should be noted that MPRI is licensed by the State Department and Pentagon and is only active in what either organizations term “friendly nations (Beaver 1999).” This is exceedingly important, as MPRI’s actions are often seen as an extension of United States foreign policy (Silverstein, Private Warriors 2000, xv). Even MPRI’s publicly stated goals keep this alliance with the United States government in mind; many of MPRI’s programs are designed “to teach those responsible for a country’s armed forces how to run them properly within the framework of a
democratic system of government (Kinsey, Corporate Soldiers and International Security 2006, 24).”

MPRI does not engage in military conflicts directly; rather the company operates outside of active battlespace. MPRI works hard to ensure that this remains true in a world of unforeseen circumstances; the firm does not allow their employees to be armed, and they have turned down work which requires armed security personnel. Christopher Kinsey classifies MPRI’s approach to military consulting as a “proxy military company:” MPRI maintains a close working relationship with its home government and aligns itself with their foreign policy (Kinsey, Corporate Soldiers and International Security 2006, 15). Peter Singer uses the military’s tip-of-the-spear metaphor to describe PSCs. The more likely a soldier is to engage in actual combat, the closer to the tip of the spear they are. By using this same logic, Singer classifies PSC firms, placing firms like MPRI (who specialize in advisory and training) in the middle of the spear. 33 Malcolm Patterson refers to MPRI as a train-and-equip company: “These entities provide military consulting, training, and support excluding a commitment to engage in combat. They carry out staff training for air, ground and sea operations; [and] supply arms and offer planning and force development programs (Patterson 2009, 62).” In the case of Croatia, the State Department only approved MPRI’s contract after verifying the provided training would not include coursework on tactics. MPRI’s Soyster confirmed that while the firm is

33 Firms who directly engage in combat, like the now defunct Sandline, are listed at the tip of the spear, and firms who provide construction, logistics, supply, such as Brown & Root, are closest to the handle. For more information see (Singer, Corporate Warriors, The Rise of the Privatized Military Industry 2004, 91 - 100)
capable of providing battlefield training, MPRI was not contracted to do so (nor did they do so) in Croatia (Isenberg, MPRI Couldn't Read Minds: Let's Sue Them 2010).

One of the most commonly presented concerns against private military companies is that they run a risk of becoming mercenary. However, of all the companies that will be covered in this study, MPRI runs the lowest risk of actual mercenary activity. The standard reasoning against PSCs as mercenaries that is presented in chapter two is still relevant, but MPRI's close connections to the United States government makes such deviance even more unlikely. Most of MPRIs work has taken place in the United States domestic market and has been focused on training and education. As mentioned earlier, the company also does not accept contracts that require their people to be armed. This intentional distinction between itself and a company like Executive Outcomes highlights MPRI's active desire to remain legitimate (Kinsey, Corporate Soldiers and International Security 2006, 68). This was clearly shown by MPRI's motto at the time of the Balkan's conflict - “Our integrity is our most treasured asset (Madsen 1999).”

With such in mind, when Croatia went looking for a partner who could help modernize their military, MPRI seemed like a perfect match. Contracts were signed. Businessweek reported that MPRI “designed courses for the [Croatian] armed forces on how to convert from the communist armed-forces model to a democratic one, including how the military should deal with elected civilian leaders and how officers should treat enlisted soldiers (Crock 1995).” This inclusion of civil-military relations allows Croatia the ability to continue their transition to democracy without fear of military takeover.

34 In 2011, their motto is “What we do makes the difference (MPRI n.d.).”
State capacity was also increased by drastic improvements MPRI provided through the training of top military leadership. The goal was to create a NATO-level force, and MPRI excelled at that. “We were hired by Croatia because we’re the practitioners of the democratic art in the military,” MPRI’s Lt General Harry Soyster, told The Washington Post. “We have credibility. We can stand up in front of other combat soldiers and say look, this stuff works (Graham 1995).” MPRI’s extensive training of the United States Armed Forces gave the firm unique and massive experience for training the Croat forces (Singer, Corporate Warriors, The Rise of the Privatized Military Industry 2004, 122).

The experience that MPRI brought to Croatia was enormous. The aforementioned Lt Gen. Chambers was the director of contingency operations in Bosnia. Gen Sewell was the Pentagon's special adviser to the Muslim-Croat federation, and made multiple trips to meet with the Croatian leadership before Operation Storm. When he retired, he joined MPRI (Silverstein, Private Warriors 2000, 171). In an interview with Ken Silverstein, a State Department official commented that “training a military is a lot more than teaching guys how to shoot guns straight. The companies offer instruction in how to run a military in a democracy, subordination to civilian control, and respect for human rights (Silverstein, Privatizing War 1997, 12).”

4.2 The Actions of States

4.2.1 Was the PSC intentionally deployed?

In order to understand why Croatia asked the United States for permission to hire MPRI it is important to understand the political situation in former Yugoslavia and the actions of the Yugoslav army. In 1991, Croatia (along with Slovenia) declared independence from Yugoslavia; Serbia declared their intent to keep the federation
together. These two conflicting desires – along with an unhealthy dose of nationalism – would bring Croatia and Serbia to war.

The first round of military conflicts came when Slovenia declared independence, and the JNA (the Yugoslav People’s Army) responded with force with the intent to keep Yugoslavia together (Holbrooke 1998, 28 - 29). Slovenia achieved sovereignty. Shortly after that brief war, the reasoning for conflict would change. Despite Milosevic’s instance that he was only attempting to keep Yugoslavia together, there were troubling shifts within the army. 70% of the officers in the JNA were either Serbian or Montenegrin, and the leadership/promotion in the army began to focus on ethnic loyalty (Kollander 2004, 10). Even this early in the conflict – June of 1990 – the focus of bringing the Serbs together was clear. Milosevic was amiable to Slovenia and Croatia’s departure from Yugoslavia, but not the removal of their Serb-dominated areas. It was this point that drove him to proclaim that the JNA intended to “defend the right of those who wished to remain together (Kollander 2004, 9).” In the few weeks between the war in Slovenia and the war in Croatia, something shifted. Assistant Secretary Holbrooke explains it as “in Slovenia the Yugoslav Army seemed to be defending the territorial integrity of Yugoslavia; when that same army went to war only a few weeks later against Croatia, it had become a Serb army fighting for the Serbs inside Croatia (Holbrooke 1998, 28 - 29).”

The situation became bleak for Croatia. In September 1991, Milosevic postulated the success of unifying the Serbs to Bosnian Serb leader Karadzic, “You’ll get everything, don’t worry. We are the strongest… As long as we have the army, nobody can do anything to us (Kollander 2004, 11).” This did not mean Milosevic was
foolhardy. As the conflict approached, the JNA quietly emptied Croatia’s territorial defense units’ armaments, leaving Croatian forces almost weaponless. The army also made sure that the Serbian populated areas of Croatia – the Knin region – had access to weapons (Tanner 1997, 225). In April of 1991, the Knin region – now known as the Republic of Serbian Krajina - declared their independence from Croatia. By summer it was full on war. The people of Knin were well armed and supported by the Yugoslav Army, and the Croat forces often only had pistols (Croatia only had police and territorial defense forces at this time, as the JNA was Yugoslavia’s joint army, and it had fallen fully under Serbian control  (Tanner 1997, 233).) Shawn Engbrecht, a former United States Ranger, and founder of the private military training firm CASS (Center for Advanced Security Studies) described the Croatian military in as “appallingly equipped and deplorability trained” as they stood against the JNA’s T-72 battle tanks. The Serb rebellion was a success; almost a third of Croatia changed hands (Engbrecht 2011, 77).

Croatia responded early troubles in Krajina by attempting to regain a decent arsenal of weaponry; it was clear to the government that lack of weaponry placed them at a serious disadvantage. The Croatian Defense Minister, Martin Speglj, found a favorably inclined arms-dealer in Hungary, and went on a spending spree. This replaced much of what the JNA had removed from Croatia, and Speglj felt that Croatia was ready subdue the Knin region. Tudjman disagreed with violent action, believing that talks were the answer, and that Croatia should do nothing that would upset the Serbs, or resume hostilities. Weapon purchases were halted, and Speglj’s purchasing power revoked (Tanner 1997, 234). Krajina was lost.
Over the next few years, Croatia began to recover economically from the fracturing of Yugoslavia, while Krajina withered internally. Its capital, Knin, was a railway town, and once the trains stopped running due to the war (the tracks went into Croatia) it was not economically viable. Croatia became further engulfed in the war in Bosnia, and had again begun buying arms, this time from the former East German arsenal. When Croatia was confronted with these purchases (which violate the UN embargo), it was not denied, instead it was claimed that Croatia had modernized enough to create arms themselves (Tanner 1997, 284).

In March of 1994, a cease-fire in the Bosnia War was achieved. The Washington Agreement not only allowed Croatia to focus on its own internal discord (like the insurrection that has separated the country into two sections) but also put Croatia in contact with MPRI. On top of the obvious benefits of modernizing the military, Croatia also knew the value of aligning with the West. In 1993, the first United States Ambassador to Croatia had made this point very clear – “Croatia has a choice of joining the West economically and politically or sharing Serbia’s destiny – isolation, economic collapse, and never-ending warfare (Silber and Little 1996, 322).” MPRI was a way to improve the military, evade the UN embargo, and ally with the United States. In the U.S. Croatian Military Cooperation Agreement of March of 1994, the United States permitted Croatia to request MPRI’s services (Zarate 1998, 106). MPRI then undertook two additional contracts in the region, on top of the already existing one with the United States State Department.

---

35 The breakup of Yugoslavia and the Croatian War of Independence is a massive and nuanced subject that cannot be adequately explained in a few paragraphs. For an in-depth summary, see Croatia: A Nation Forged in War (Tanner 1997) or Yugoslavia: Death of a Nation (Silber and Little 1996)
The first contract was to provide 20 of the 45 border guards needed to monitor sanctions against Serbia. Later MPRI would provide all 45 guards (Shearer 1998, 58) (Zarate 1998, 105). While the contract with the State Department to hire border guards did nothing to increase Croatia’s capacity, it was critical because it attracted the attention of the Croatian government to the potential of MPRI; it was at this time MPRI was approached by the Croatian government for assistance in training and education in “military-civilian relations, program and budget (Singer, Corporate Warriors, The Rise of the Privatized Military Industry 2004, 125).” MPRI expressed relative surprise as these contracts unfolded; their spokesman claims that MPRI wasn’t “even looking at the Balkans. It didn’t look like a place we could do business because of the embargo (Graham 1995).”

After surveying the situation in the end of 1994, MPRI’s Long-Range Management Program began in Croatia in January of 1995. This program focused on modernizing and Westernizing Croat forces, providing long-term strategic improvements, and meeting the admission criteria for NATO’s Partnership for Peace (Shearer 1998, 58). In April of 1995, MPRI’s Democracy Transition Assistance Program (DTAP) began, focusing on democratizing the military, introducing a noncommissioned officer corps, training and general management, and basic officer leadership skills (Isenberg, MPRI Couldn't Read Minds: Let's Sue Them 2010). These two contracts not only helped improve Croatia’s armed forces, but also gave Tudjman and the Croatian populace reassurance that the United States supported Croatia. This view was demonstrated by the

---

36 Descriptions of DTAP often include a phrase such as ‘transition from a Warsaw Pact style force to a Western force.’ While the underlying sentiment of moving to a force with a noncommissioned officer core is correct, it is important to note that Yugoslavia (and thus Croatia) was not a member of the Warsaw Pact.
Croatian state-run newspaper *Vjesnik*: “[The deal] serves as a response to the frequent conclusion that American-Croatian cooperation is undergoing a crisis (Silverstein, Private Warriors 2000, 173).”

Operation Storm – the Croatian offensive that retook the Krajina – took place in August of 1995. MPRI had been in theater since at least January of 2005, and their involvement with the Croatian Army is widely believed to be the major cause of success. The sophisticated tactics shown in Operation Storm was categorized as “US-style (Smith 2002/2003, 110).” While Croatia did hold a numerical advantage over the Serb forces in the Krajina region, the true deciding factor was their superior military experience which Silber and Little claim “could only have derived from their increasingly congenial relationship with the United States (1996349).” Since the United States was not training Croatian forces, it is a safe to assume that the authors refer to MPRI (whose presence is often mistaken for United States involvement) training. One of the colonels’ stationed at the UN garrison in Knin observed the Croat advance: “It was a textbook operation, though not a JNA textbook. Whoever wrote that plan of attack could have gone to any NATO staff college in North America or Western Europe and scored an A-plus (Silber and Little 1996, 359).”

There is no doubt that Operation Storm dovetailed with United States interest. The United States Secretary of State, Warren Christopher, denied any involvement or tactic encouragement of Operation Storm, while acknowledging that the operations success increased the chances of reaching a peace settlement in the region. However, according to UN officials, the United States Ambassador to Croatia, Peter Galbraith, advised Tudjman “that the United States would tolerate military action to take Krajina
provided the battle was ‘short and clean’ (Silber and Little 1996, 352).” Assistant Secretary of State Holbrooke had similar appreciation for the success of Operation Storm, calling it “a classic illustration of the fact that the shape of the diplomatic landscape will usually reflect the balance of forces on the ground. In concrete terms, this meant that as diplomats we could not expect the Serbs to be conciliatory at the negotiating table as long as they had experienced nothing but success on the battlefield (Holbrooke 1998, 73).”

The consequences of Operation Storm were immediate and powerful: Croatia was no longer a geographically divided country, the chance for a peaceful settlement was present, and the balance of power in the Balkans had been fundamentally changed. Whether or not MPRI was involved with Operation Storm, both the United States and Croatia achieved their goals. The United States had a chance to broker peace and stability in the region, and Croatia had clearly become a major military force in the region. There can be no doubt that MPRI was an intentional part of that process.

4.2.2 The Effect on Capacity

4.2.2.1 Does the state control governance?

All of the cases in this study focus on governments under siege. While asking if the state controls governance in situation of civil war (or when the government is being externally replaced) is an imperfect metric, this study can examine the delta of the strength of the government as the conflict progresses. In the case of Croatia, the country moved from being part of a federation under a strong dictator, to a sovereign state with an elected president in a time of civil war, to the same president securing power for himself, his party, and his ethnicity. Nationalism adds an additional and dangerous component to
the control of governance, as the early 1990s saw forced displacement and migration of ethnic groups between Serbia, Bosnia, and Croatia.

While foreign pressure was often able to dictate its actions, Croatia was able to maintain control over the governance of its people. It was the Croatian government who approached MPRI, and the contracts that affected capacity were directly signed by Zagreb. MPRI was not hired by the United States to democratize the Croat army; Croatia hired MPRI directly and with clear goals (modernize the army to join the Partnership for Peace.) Complaints against Tudjman will arise that he is undemocratic and, in truth, a dictator. Judgment over type of government aside, these are all signs of strong control over governance. The United States has followed a policy of building “peace from above,” in which the goal is to create a strong state through strong government institutions, most especially the military. Strong institutions, military, and police help guarantee civil harmony (Uesseler 2008, 219). MPRI’s objectives clearly followed this trajectory.

However, when one simply democratizing the military without affecting the rest of the state it does not guarantee a democratic outcome. MPRI was hired to train civil-military relations to the Croatian armed forces through the Democracy Transition Assistance Program. While there is no doubt that MPRI’s involvement in Croatia changed the dynamic of the military, it is questioned if using a private contractor is a valid, or possible, route to democratization. While civil-military relations can be taught, there still is the problem that the contractor is being paid by the current power structure, and may favor entrenched interests (Krahmann, Transitional states in search of support: Private military companies and security sector reform 2007, 101). For example, as
Tudjman increased/created his executive power, the army was trained to be subordinate to the role of the president (as the role of the president was being defined.) Democratization training needs to take place across all branches of government, not just the military, to be fully successful.

While it is not MPRI’s fault that Tudjman leaned strongly towards authoritative rule, the firms training would have been most effective if partnered with an understanding, expectation, and training in democratic governance from international groups who Croatia sought membership with (i.e.: NATO) rather than simply military reform. This is not meant to discount what the diplomatic teams were able to accomplish, nor discount the training in civil-military relations that Croatia received. Without a military willing to embrace civilian leadership, the road to democracy is impossible. However, democratizing just the military will only get a state so far in Westernization. In order for a state to fully commit to democracy, it must happen on at every level of the government. In Croatia’s case, democratization was successful within the military, but questionable at the executive branch.

The United States demonstrated that it could, in fact, coerce Croatia. In February 1994 (a month before the Washington Agreement and Croatia contacting MPRI) American diplomats threatened Tudjman with economic sanctions unless the war in Bosnia was discarded. The carrot to this stick was a promise that the United States would support the liberation of Krajina “and even more (Silber and Little 1996, 353).” The war in Bosnia was temporarily abandoned, and MPRI was hired to improve the army. Who hired MPRI, and with what authority?
MPRI was hired through the Croatian Defense Ministry, under Tudjman’s executive office. However, Croatia had a fully functional parliament at this time, and, per Croatian law, international agreements such as hiring MPRI are required to be approved by both the legislative and executive branch. This did not happen. In fact, Deborah Avant notes that the contract was further obfuscated by listing the contract under “intellectual services” rather than a military of defense related expense (Avant, The Market for Force: The Consequences of Privatizing Security 2005, 106). Another telling, and certainly familiar complaint, is that the PSCs contracts involved no analysis or report on the outcome of its work (Vankovska 2002). The state was certainly strong, and governance firmly controlled by the executive branch, but the democratic functions of the state had hiccups. MPRI’s actions in Croatia are typically judged by Operation Storm. However, some scholars suggest that MPRI – nor even the Croatian Army – had little to do with the success of Operation Storm. Rather than being a matter of military success, it is rumored to have been a political subterfuge.

Apparently, in March of 1991 Tudjman and Milosevic met in secret to determine Yugoslavia’s borders. The nationalist desires of both leaders was strong, and the goal was not to force everyone to live together, but rather how each ethnic community could end up with its own nation-state (Silber and Little 1996, 306). According to this line of logic, the Croatian attack on the Krajina would not have sparked a Serbian reaction, nor would Krajina have received Serbian support to repel the attack. The goal was not to

37 One of the most commonly cited benefits/problems with PSC usage by the United States is that they avoid the legislative branch’s oversight. When Congress limited the number of troops were allowed in Colombia, PSCs were used to avoid the restriction (Castillo 2001). The only time Congress is required to be informed is if a single contract is over $50 million (Silverstein, Private Warriors 2000, 167).
simply gain territory and create an endless Serbia (or Croatia) but rather to create a Greater Croatia and Greater Serbia, a land where the ethnicities could be separate.

It is also peculiar that the Croat army achieved an almost bloodless campaign in which they traveled 90 miles over strenuous terrain in just four days (Vankovska 2002). The campaign could have very well been possible, for in 1993, Croatia undertook a similar rapid campaign and successful recapture of the straights of Maslenica (Silber and Little 1996, 345). Regardless of the truth of these rumors, the fact that there is even speculation that two heads of state could collaborate a false military activity that would be accepted as truth by most of the world is indicative of the power that Tudjman and Milosevic held. As the war progressed, the ruling apparatus of these two states strengthened.

The quasi-state of Krajina lacked such luxury. The Chief of Staff of the UN mission in Knin saw a complete lack of preparedness on the part of the Krajina Serbs to prepare for Croatia’s attempt to retake the contested territory. There was no stockpiling, nor were there strategic plans for the conflict, nor defensive fortifications. Colonel Leslie’s own words express his disgust: “Until the very end the leadership of the Krajina Serbs seemed more interested in defending their own positions within the Krajina state than in taking real measures to defend the territory. It was appalling. They were corrupt, incompetent, and complacent. And there’s no excuse for them (Silber and Little 1996, 348).” It is undeniable that Croatia’s army was drastically improved, but as Croatia had strengthened, the Krajina had weakened. No matter if Operation Storm was faked, or the strength of the insurrection the Croatian army fought, there can be no doubt that MPRI increased state capacity. MPRI advanced and modernized the Croat army, strengthened
one of the main institutions of the state, provided Tudjman with the moral lift that the
United States was on his side, and received notoriety for their perceived
involvement/training in Operation Storm. It is ironic that the event that MPRI is most
famous for may have already had an orchestrate outcome, or may have been against a
quasi-state so weak that external assistance was not needed. Regardless of the impetus
for their involvement, MPRI most certainly contributed to strengthening the army, which
bolstered the strength of Tudjman’s rule as well.

4.2.2.2 Does the state provide basic services?

Because the Croatian state was not decimated by war, and the institutions
survived, it is harder to examine the change in the provision of services while the PSCs
were in the country. One state service that showed variation was elections. While this
study does not trace democratization, the mechanism of elections can be used to examine
state strength. After all, as Lowenthal said, “Elections by themselves do not make
democracies; democracies make elections. But period and meaningful completion for
political power, with high level of participation and level of civil and political liberties
sufficient to ensure the integrity and legitimacy of the process, is a crucial element of
democracy and external monitoring can help assure the proper conditions (Lowenthal
1993, 263).”

In 1996 *Eastern European Quarterly* published interviews with Stephan
Markovich that attempted to determine if Croatia met the criteria to be considered a
democracy. In Markovich’s interviews with the opposition leaders in Croatia, he found
that they viewed Croatia’s democracy as limited due to the strength of the executive
branch, state-controlled media, and unfair elections. The head of the Croatian Independent Democrats described Tudjman as a “benevolent dictator who has co-opted the opposition (Markovich 1998, 84).”

Two of the important criteria of a functioning democracy are free and fair elections, and willingness for the incumbent government to transfer power when it is defeated. Tudjman came to power by legitimate election in 1990, although his election in 1997 was considered “free but not fair” by the OSCE (Organization for Security and Co-operation in Europe 1997). The OSCE’s recommendations to improve elections in Croatia were based on control of information leading up to the election: 1) media access should be balanced between all candidates, 2) the election commission should be comprised of representatives from all major parties, 3) out-of-state voting practices should be reviewed, 4) billboards purchased by the government should not display political ads 90 days before an election, 5) both international and domestic observers should be welcomed, 6) there should be a way to balance of financial resources of the candidates, and 7) televised debates (Organization for Security and Co-operation in Europe 1997).

The political opponents that Markovich interviewed agreed with the OSCEs assessment that the elections were mostly free, but not fair. The most aggrieving issue was the uneven access to the media. The state-controlled media tended to feature

38 Stephan Markovich interviewed leading members of eight opposition parties in Croatia. They were Ivo Skrabalo of the Croatian Social-Liberal Party (HSLS), Zlatko Tomcic of the Croatian Peasant Party (HSS), Snjezana Biga Friganovic of the Social Democratic Party (SDP), Dragutin Hlad of the Croatian Independent Democrats (HND), Stjepo Martinovic of the Croatian People’s Party (HNS), Vlado Jukic of the Croatian Party of Rights (HSP), Milarod Vojvodic of the Serbian National Party (SNS), Nenad Klapeic of the Istrian Democratic Parliament (IDS) (Markovich 1998).
government activities and crowd supportive rallies, and little or no reference to opposition movement or activities. When the opposition was given air time it was much less than the incumbent party, at disadvantageous times, in large chunks designed to create viewer fatigue, and often opposition-prepared programming was simply not shown (Markovich 1998, 88). The OSCE did place pressure on Croatia to address these issues, saying that “there is a clear desire on the part of the people of Croatia to be a more integral part of Europe. That is possible, but it is not likely to be fully achieved unless two conditions are met: first, fully free and fair elections; and second, a strong indication that the days of ethnic prejudice are relics of the past (Organization for Security and Co-operation in Europe 1997).”

Another noticeable failure in Croatia’s democracy has been Tudjman’s unwillingness to turn power over when defeated. In 1996, the HDZ (the party to which Tudjman belongs) was defeated in the election for mayor of Zagreb, and the victorious coalition suggested a candidate for mayor. Tudjman vetoed. He then vetoed the coalition’s second and third nomination. After his third veto, he finally installed his own party’s candidate as mayor, despite election results to the contrary. Tudjman claimed that it was simply unfeasible to have such an important position (mayor of Zagreb) in the hands of the opposition (Markovich 1998, 85). This action was, of course, taken to the court system. However, the Constitutional court ruled in favor of Tudjman, which made his opponents that he controlled every aspect of governance. The court ruling convinced those Markovich interviewed that that democracy was being left behind, and Tudjman was firmly on his way to becoming a dictator (Markovich 1998, 84).
4.3 The Actions of the Private Firm

4.3.1 Does the PSC build institutions?

One of the main criteria proposed for PSCs to positive impact on state capacity is obvious and self-referential: in order for the firm to have a positive effect on state capacity, the firm must be involved in tasks that increase capacity. This can occur through training or creating new institutions (but is not assisted by contracts that simply replace actions of the state, such as providing police services.) The two contracts signed by MPRI and Croatia both fulfilled this criteria. The first contract, lead by Major General John Sewell was the Long-Range Management program which centered on the restructuring of the defense department (Avant, The Market for Force: The Consequences of Privatizing Security 2005, 102) (Singer, Corporate Warriors, The Rise of the Privatized Military Industry 2004, 125). The focus of this program was to make long-term changes to the Croat defense department by offering instruction on democratic values and defense management skills (Graham 1995). The second contract was the Democracy Transition Assistance Program (DTAP) which was headed by General Richard Griffitts (Singer, Corporate Warriors, The Rise of the Privatized Military Industry 2004, 126). This contract focused on introducing noncommissioned officers into the Croatian forces, and military training and education, with the eventual hope of gaining entrance to NATO’s Partnership for Peace program.

Simply employing a PSC does not mean the work, or change, comes to fruition; both Iraq and Afghanistan demonstrated a propensity for uncompleted or poorly completed programs. This is not the case in Croatia. In The Market for Force Deborah Avant describes the program: “MPRI’s official training in the DTAP consisted of
fourteen weeks with sessions eight hours a day, five days a week. Eleven courses were offered in physical training, education management, instructor training, topography, logistics, military service (international military law), leadership, military management (including analyses of historical battles and lessons), and first aid. The materials used were translated textbooks identical to those used at United States professional military education institutions such as West Point (Avant, The Market for Force: The Consequences of Privatizing Security 2005, 102).” This intensive training helped turn an armed force that Shawn Engbrecht called “rabble in uniform, little more than an organized militia” and Ken Silverstein said was “bumbling and inept” into a professional force that retook its captured territory in only four days (Engbrecht 2011, 78) (Silverstein, Privatizing War 1997, 14). The success of Operation Storm has been attributed to MPRI’s training and advisement (Clark 1999). It is here where MPRI’s influence on capacity building – strengthening and restricting the military – is most notable.

Operation Storm followed United States Army doctrine, and received praise for its well-structured campaign. Roger Charles, a retired Marine lieutenant colonel, doubts that the Croatian armed forces could have undertook such a successful campaign without direct military training and planning: “No country moves from having a rag-tag militia to carrying out a professional military offensive without some help. The Croatians did a good job of coordinating armor, artillery and infantry. That’s not something you learn while being instructed about democratic values (Silverstein, Private Warriors 2000, 173).” It is notable that the Croatian army’s improvement was so drastic that – despite a complete lack of evidence – MPRI has been accused of directly taking part in Operation Storm. (Percy 2007, 227) The Armenian Reporter highlights three main changes that
made the Croat’s Cinderella story possible: organization, training, and military discipline (Mooradian 1996).

Operation Storm followed the tactical deployment of modern strategic warfare. The first things targeted in the Krajina region were the Serbian/Krajin command and control elements (Engbrecht 2011, 78). MPRI aside, NATO also had a convenient hand in Operation Storm. On the same day that Croatian forces were attacking Krajina, NATO jets destroyed a ground-to-air missile base in the same area (Sadler 1995). This convenient coincidence of removing a communications hub also followed typical United States strategy and has led some scholars to accuse NATO of giving a “helping hand” to the Croats (Silber and Little 1996, 352).

MPRI has never denied that it worked to improve the Croatian military – especially considering that it was contracted to do so – but it does refute allegations that it planned or executed Operation Storm. Soyster maintains that MPRI just gave advice on civil-military relations in a democratic society, adding that “the Croats hope to join NATO, and if you want to join the club you have to look like members.” John Dinger, who would go on to become the United States Ambassador to Mongolia, added to these advice based claims, saying that MPRI helped Croatia “avoid excesses or atrocities in military operations (Silverstein, Private Warriors 2000, 171).”

No matter who did what in regards to Operation Storm, the underlying result is that the Croatian military was drastically improved in a short period of time. Croatia currently has a relatively modern military, is a member of NATO, sends troops on international missions (such as the Iraq War), and manages this on 1.8% of GDP
dedicated to military spending. (At the height of the war, Croatia’s military spending was
11.1% of GDP, but has drastically declined since then.) (World Bank 2011) Because
Croatia came to independence through war, it is impossible to see if Tilly’s ratchet effect
is at play (the post-war GDP military spending never returns to below war levels.)
However, Tilly’s discussion on war making the state still applies, as Tudjman continued
to increase his executive power throughout the 1990s. It also can be said that the conflict
forced international recognition and inclusion of Croatia. The United States wanted a
balancer in the region, and as they ensured that Croatia was able to maintain the balance
of power within the Balkans, they de facto offered them an invitation into the Western
world.

MPRIs two contracts increased the strength of the military and taught civil-
military relations to place the armed forces firmly under the control of the state.
Importantly, Croatia desired to join NATO’s Partnership for Peace, and this driving goal
created a space for a former communist country to attempt the road to democracy.
Because the requirements for joining the PfP are rigorous and required extended effort
and training, MPRI was able provide private training to guide them on this path and
strengthen the military and democratic norms (Avant, The Market for Force: The
Consequences of Privatizing Security 2005, 113). This desire to join PfP, and the ability
to find a route to do so, allowed Croatia to progress in a way that dovetailed with United
States foreign policy goals. Rather than turning to fascism, authoritarianism, or military
rule, Croatia made inroads towards a “Western” society. As Soyster said – if you want to
join the club, you have to look like members.
4.3.2 Was the PSC subject to the rule of law?

Unlike the next cases of this study, contractors in Croatia have not been accused of crime on an individual or corporate level. The concerns regarding MPRI in Croatia are based around the United Nations arms embargo, their potential involvement in Operation Storm, and the ethical dilemma of training a military that would go on to engage in ethnic cleansing.

In September of 1994, MPRI received permission to work in Croatia when the United States State Department granted them licensing under International Transfer of Arms Regulations (ITAR) (Shearer 1998, 58). There was a large outcry that hiring a private firm was simply a way for the United States to offer Croatia assistance while avoiding the United Nations arms embargo (Graham 1995). The United States provided a two pronged justification for allowing Croatia to hire MPRI with the embargo in place: First, providing courses in professional behavior and international law to the military would greatly benefit democratization (Avant, The Market for Force: The Consequences of Privatizing Security 2005, 111), and, secondly, MPRI’s contracts did not involve tactical training, nor did they provide armaments, or do anything that would qualify as “direct military assistance,” so these contracts did not violate the embargo (Isenberg, Soldiers of Fortune Ltd: A Profile of Today’s Private Sector Corporate Mercenary Firms 1997, 10). European observers were skeptical, as noted by the pointed musings of a French commander: “If they are not involved in military planning, then what are they doing there? Are we supposed to believe [MPRI Gen] Sewall and his people are tourists (Silverstein, Private Warriors 2000, 15)?”
The embargo was also worded to apply to states, not private firms. While the United States licensed its firms (DynCorp was also present in Bosnia) to be active in the Balkans, the state itself did not offer assistance. For the two contracts that involved interaction between MPRI and the Croat military, it was the Croatian Department of Defense that actually hired MPRI, not the United States. These counterpoints have been accused of being nothing more than legalese, and avoiding the spirit of the law/embargo.

The next point of contention is the military conflict in August of 1995. Croatian forces quickly retook the Knin region from the insurgent Serb government in a four day operation called Operation Storm. MPRI has been accused of helping to plan, or, more radically and less accepted, taking part in the incursion. On top of the normal cries of mercenarism, this is particularly troubling due to the inclusion of human rights violations. Operation Storm was stopped from being a “splendid little war” due to its inclusion of horrific ethnic cleansing so common for the area at the time. (Human Rights Watch 1996) The Serbian population living inside Croatia was reduced from 12% to 5%. (Vankovska 2002) MPRI has both been credited with training the Croatian military for such a successful campaign, and scolded for a lack of human rights components in the teachings. (Vankovska 2002) Between the Serbian offensive in 1991 and Operation Storm in 1995, over 750,000 persons were displaced. (Crvenkovic 2010) Silber and Little call Operation Storm “the biggest single forcible displacement of people in Europe since the Second World War (Silber and Little 1996, 350).”

MPRI has denied any involvement in Operation Storm. As the conflict was unfolding, General Soyster, MPRI’s spokesman, stated that MPRI’s instruction had “no correlation to anything happening on the battlefield today (Graham 1995).” Denials also
reference their short amount of time that MPRI was in Croatia before the offensive, and the limited number of contractors (15) working on the contract to Westernize the military (Zarate 1998, 107). Further, MPRI points out that violating the terms of their license from the State Department would be unwise for the company; the firm simply has too much to lose. Soyster also addresses the fact that it is reasonable to suspect the firms involvement; after all, not only were there a substantial amount of experienced United States military veterans present but, as Soyster points out, “it’s hard for people to believe the Croatians are paying to do something like this – that is, make a long-term investment in developing an officer corps – at a time when the Serbs are at their door (Graham 1995).”

However, Peter Singer, disagrees with both the limited amount of time MPRI claimed to be present, and also that their training was purely based on introducing Western military values and an noncommissioned officer corps – the “commonly accepted belief is that the MPRI operation started in October 1994, rather than later in January 1995, and included training not only in democratic principles, but also in basic infantry tactics (such as covering of fields of fire and flanking maneuvers,), and medium-unit strategy and coordination as well (Singer, Corporate Warriors, The Rise of the Privatized Military Industry 2004, 127).” No matter when the training started, the first DPAT class graduated in April 1995, five months before Operation Storm (Avant, The Market for Force: The Consequences of Privatizing Security 2005, 102).

Also damaging to MPRI’s claims of not being involved with the tactical planning of Operation Storm are reports of multiple meetings between MPRIs General Vuono and Croatia’s General Cervenko directly before the Krajina campaign. (Silverstein, Private
Warriors 2000, 172) (Avant, The Market for Force: The Consequences of Privatizing Security 2005, 104) The local press was tipped off by a Croatian liaison officer that at least ten top-level meetings took place on Brioni Island directly before Operation Storm. With wry accuracy, Singer notes that the Croatian generals “were likely too busy at the time for coursework on democratic principles (Singer, Corporate Warriors, The Rise of the Privatized Military Industry 2004, 127).”

Was MPRI subject to the rule of law? The company deployed in a region where there was an arms embargo in place, and if it did not break the embargo directly, it was a violation in spirit. MPRI certainly modernized an army that would then go and displace people based on ethnic groups, and whose leadership would be tried for multiple war crimes. While perhaps morally questionable, providing such training is not against the law. Isenberg’s article “MPRI Couldn't Read Minds: Let's Sue Them” is a commentary on this very point; all that training can do is instruct in international law – “unfortunately, training, like weapons, is fungible; there is no telling what to what use it will ultimately be put (Isenberg, Soldiers of Fortune Ltd: A Profile of Today's Private Sector Corporate Mercenary Firms 1997, 13).”

What is notable about the Croat case is that there are no stories of an MPRI contractor raping, murdering, pillaging, stealing, etc. The legal questions operate at the state and international level (Was the deployment legal with regards to the embargo? Did MPRI's training encourage ethnic cleansing?) rather than at the individual. Unlike in the other cases of this study, it is impossible to analyze how MPRI/Croatia/United States would have reacted if a contractor had violated the law.
There are certainly debates and questions regarding the legality of MPRI in Croatia. However, since MPRI received licensing from its home country, was hired by its host country, stayed within the mandate given to the company by Croatia, and did so without reports of individual crime, once in Croatia, MPRI obeyed the rule of law.

4.3.3 Was the PSC viewed as legitimate by the population?

The support of the population will have an effect on the success of any state-building mission. While MPRI’s contracts in Croatia were certainly subject to this collateral, the company had an advantage over the current crop of PSC activity in Iraq and Afghanistan. Rather than being viewed as lawless, profit-driven mercenaries, MPRI was oft mistaken for United States forces. This view was so prevalent that the headline of a news story released by the Croatian Foreign Press Bureau in July of 1996 stated “US Military to Train Federation Troops (Singer, Corporate Warriors, The Rise of the Privatized Military Industry 2004, 212).” This is not to say that the MPRI and the United States troops were interchangeable in the eyes of most, but rather that it was generally believed that the United States was willing to give Croatia assistance under specific circumstances, and MPRI was the way to reach those goals (Vankovska 2002).

The infusion of MPRI’s contractors let the public feel like the United States was on their side, and like Croatia was on the correct side of the Serbian conflict. The perception was that the United States sponsored action in Croatia, and this visibly demonstrated international support and sympathy for the Croatian plight (Vankovska 2002). United States support and the granting of legitimacy was beneficial to Croatia. MPRI’s presence in Croatia told the world where the United States stood, and this

Biljana Vankovska conducted a survey in Zagreb in 2001 and found a mixed set of views regarding who should have to pay for military training. Was it fair for an attacked country, one who had not been the aggressor in war, to have to pay or compensate for military training (Vankovska 2002)? Disgruntlement at having to pay a firm to modernize the army overlooks the power that Croatia had over its own destiny by directly contracting with MPRI. Rather than having the United States contract MPRI to undertake tasks within Croatia, Croatia was able to set the mandate for what MPRI was to achieve. While these were ambitions the West helped cultivate (such as raise the military to NATO standards), the tone and control remained with Croatia. It is interesting to note that MPRI had three contracts in Croatia during this time. One of them was with the United States and provided border guards to enforce embargos. The other two were with Croatia and focused on updating the military. The contracts with Croatia were the ones that increased capacity, while the one with the United States had little to no effect on capacity.

The use of MPRI also did not hobble the warrior image of the Croatian people. The firm was hired by the country, trained and improved the country, but the glory and success of Operation Storm rested firmly on Croat soldiers. MPRI modernized the Croatian army without undermining the national mythos. The Croatian Foreign Minister Tonino Picula discusses MPRI with gratitude, discussing how Croatia faced a war of aggression with little assistance and needed “all kinds of friends.” He further states that MPRI did “a significant job in Croatia as a part of US assistance to Croatia during the
1990s (International Special Reports 2002).” The word choice is interesting – MPRI is referred to as a friend, and as being part of United States assistance. All else aside, it is clear that the Croats and MPRI ended their contract under colloquial terms.

4.4 Conclusion

According to Charles Tilly, war increases the strength of states due to requiring the consolidation of power and the means for resource extraction. PSCs could challenge this formula, but the example of Croatia shows a state becoming stronger after PSC involvement.

What conditions did MPRI fulfill to increase state capacity in Croatia? As hypothesized in chapter one, if a PSC is intentionally deployed, contracted to undergo tasks that train or create institutions, obeys the rule of law, and is viewed as legitimate, that firm is likely to cause an increase in state capacity.

The United States had a vested interest in seeing Croatia’s capacity improve, but that does not set this case apart from the others. What Croatia had was an existing government who was willing to conform and comply with the ideals of Westernization in order to gain access to international support. Croatia’s desire to join the Partnership for Peace and gain/maintain the United State’s support in the Balkans conflict encouraged Zagreb to seek support to fundamentally change their military. This made MPRI’s deployment completely intentional by all parties. The United States desired a state that could balance Serbia, Croatia desired to protect and regain its territorial interests, and MPRI was equipped with the experience in military training.

Croatia’s success in Operation Storm changed the balance of power in the Balkans, and gave the peace process additional traction and likelihood for success.
Tudjman was strengthened not only by military victory, but also by headlines that proclaimed Croatian troops were being trained by United States soldiers (when, in truth, they were being trained by MPRI.) This training clearly strengthened one of the most powerful institutions of any state: the military.

While the legality of MPRI’s presence in Croatia has been challenged due to the United Nations embargo, once the firm was in the country it obeyed both national and international law. Further, the company gained permission from the United States before it undertook work in Croatia, and also was contracted directly by Croatia (rather than being contracted by an outside force.) There is concern that Croat troops committed atrocity (ethnic cleansing) after MPRI’s training. However, the most MPRI could be expected to do is train the Croatian troops in humanitarian norms and international law. While the argument could be made that there is a moral or ethical component to what a military does after it has been provided with training, MPRI has no legal liability when it comes to the Croatian army’s inhumane actions.

MPRI was seen as legitimate by the population of Croatia. The firm’s involvement was wanted and welcomed by the country. MPRI was often mistaken for the United States military, and Croatia had long been requesting international aid, so the populace’s reception was positive.

The tested criteria for this case are all positive, and, indeed, MPRI was involved in building state capacity in Croatia. The only questionable criterion is the rule of law, due to the potential breach of the United Nations embargo. Therefore Croatia will be the
benchmark for a successful deployment of a PSC. By comparing the relatively successful case of Croatia against Bosnia, Iraq, and Afghanistan, it may be possible to view trends for success and failure that will help guide future conflicts.
Chapter 5: To Police and to Provide
Case Study of Bosnia

The Bosnia deployment resembles nothing more than the moon landings, with the principal objective being to send men far away and bring them back safely.

Michael Rose, Fighting for Peace

5.1 Introductory Remarks

The disillusion of Yugoslavia left the Balkan region in conflict. The wars in Croatia and Bosnia and Herzegovina may appear similar but are critically different in breadth and scope. The war in Croatia was based upon a territorial dispute – the desire to create a Greater Serbia – that, if Serbia was successful, would have geographically diminished the Croatian state. The war in Bosnia and Herzegovina focused on the very survival of one of the oldest states in Europe, and, as the war progressed, the protection of people from ethnic cleansing (Burg and Shoup 1999, 125). In both wars the international community became involved and, as previously discussed in the case of Croatia, the United States supported its allies through PSCs. In Bosnia and Herzegovina these firms were used both for support of the NATO deployment and also to supplement the United Nations police training mission. The United States Government Accountability Office (GAO) found that over the five year period from 1995 to 2000 the United States contracted over 1.38 billion dollars to private military firms within Bosnia and Herzegovina (Bhatia 2005).

This chapter will trace the history of the conflict in Bosnia and Herzegovina and look at indicators of state capacity in the rebuilding phase of the conflict. By observing
the affect of private force on post-conflict reconstruction, lessons for the future can be obtained.

5.1.2 Brief Overview - A War for Survival

There are two facts which are universally known about Bosnia and Herzegovina: the first is that Bosnia and Herzegovina is challenged by ethnic strife and conflict (indeed, it is the place which gave birth to the term ethnic cleansing) and that Bosnia and Herzegovina became a state after the disillusion of Yugoslavia. While both of these facts are true on the surface, there is a deeper and more complex story which shows Bosnia and Herzegovina’s long history of tolerance and inclusion. Bosnia and Herzegovina is a long-lived country, existing longer than such recent contenders as Germany and Italy, and even rivaling England (Bosnia and Herzegovina first became a country in 1180, England in 927.) Bosnia and Herzegovina only recently lost its independence as a political entity in 1929 with the creation of the Kingdom of Yugoslavia. This protracted history gave Bosnia and Herzegovina a “distinctive habits of tolerance, a culture of borrowings and hybridity that was distinctively Bosnian (Toal and Dahlman 2011, 48).” Even after the loss of political independence in 1929, the cosmopolitan trend was still present. In the 1918 census, eight percent of the total population listed themselves as Yugoslav rather than Croat, Serb, or Bosniak. While this may seem like a small number, it becomes much more impressive when it is revealed that the location of these “Yugoslavs” were in the five largest cities, making up between one-fifth and one-quarter of their population. (Burg and Shoup 1999, 29) The cities were metropolitan.
This is not to say that ethnic divides did not exist before the recent Bosnia and Herzegovina war. Tensions existed and were a powerful political force. In 1990, Bosnia and Herzegovina’s parliamentary elections led to the three ethnic parties being elected and forming a collation that removed the communist party from power. This collation was soon challenged as Yugoslavia continued to crumble with Croatia and Slovenia declaring independence. Bosnia and Herzegovina was faced with the choice to stay with the Federation – with Serbia as the clear controlling power – or declare independence. Unsurprisingly this decision was favored among Bosnia and Herzegovina’s population based on ethnic divisions. The Serbian faction wished to stay with the Federation, and the Bosnians and Croatians sought independence for Bosnia and Herzegovina.

On February 29, 1992, there was a referendum for Bosnia and Herzegovina to secede from Yugoslavia. This vote was boycotted by much of the Serbian population, and the Serbian faction of the government did not consider the referendum valid. Regardless, this referendum led to Bosnia and Herzegovina to declare its independence from the Yugoslav Federation on March 5, 1992. The vote for independence and the related political conflicts ushered the end of the coalition government and the beginning of the fractionalization of Bosnia and Herzegovina. The Serbian members of parliament left and spearheaded their own government. The Serbian faction was initially called the Serbian Republic of Bosnia and Herzegovina but would soon become the Republika Srpska. The Croats formed the Croatian Community of Herzeg-Bosnia with its own military force (HVO). On April 6, 1992, the country plunged into war. Each ethnic faction sought to gain control of the areas where they had a majority of the population, and used tactics of ethnic cleansing to do so.
The conflict in the Balkans became a hotspot of international concern. The war in Bosnia and Herzegovina followed the pattern established in the Cold War, where a hot war geographically removed from the Western states took center stage in the international arena. The war was initially viewed as an internal problem of the Yugoslav states, characterized as inevitable due to ethnic divisions. The United Nations attempted to contain the conflict in the Balkans by authorizing an arms embargo on all of former Yugoslavia on September 25, 1991. There was hope that Europe would be able to prevent war, and show its leadership power within the region, as shown by the 1991 failed Carrington-Cutileiro Plan. In 1992, the United Nations Protection Force (UNPROFOR) was deployed to the Balkans with the orders of enforcing the cease-fire in Croatia and creating safe-zones in Bosnia and Herzegovina. There would be two additional failed peace agreements (Vance-Owen and Owen-Stoltenberg) orchestrated by the United Nations in 1993. In August of 1995, Croat troops successfully carried out Operation Storm in Croatia which ended the military aspect of the Croatian war. This allowed for the HVO troops to switch their focus to Bosnia and Herzegovina and undertake operations there (Burg and Shoup 1999, 120). Eventually the war in Bosnia and Herzegovina was seen as a pivotal challenge to the status of NATO and United States leadership in the post Cold War era (Toal and Dahlman 2011, 145). In November 1995 the General Framework Agreement for Peace in Bosnia and Herzegovina (also known as the Dayton Accords) brought an uneasy peace to Bosnia and Herzegovina. December 1995, the United Nations Mission in Bosnia and Herzegovina (UNMIBH) was deployed to Bosnia.
In November 1995, United States Operation Determined Effort deployed to Bosnia and Herzegovina to prepare logistics for the arrival of the Implementation Force (IFOR.) In December 1995, IFOR (the United States part of the IFOR deployment was called Operation Joint Endeavour) arrived in Bosnia and Herzegovina and would eventually encompass troops from more than 30 countries. 65,000 troops were dedicated to creating and maintaining a non-hostile environment in Bosnia and Herzegovina. The United States deployment was known as Task Force Eagle (or, following the parlance of the rest of IFOR, the Multi-National Division (North).) In December of 1996, IFOR became the Stabilization Force (SFOR) with a strength of 32,000 uniformed personnel (Directorate for Investigations of Senior Officials 2003, 5). The United States mission switched from Joint Endeavour to Joint Guard, and in June of 1998 the United States mission shrank further to become Operation Joint Forge (Global Security n.d.). At the time of transition from Operation Joint Guard to Operation Joint Forge there were more than 50 individual private firms supporting United States forces (Palmer 1991).

This breakdown of troop deployments gives the impression the war in Bosnia and Herzegovina was traditional when, in fact, it was anything but. The actual fighting between the ethnic identities failed to obey the traditional laws of war, with rape, terror, and forced displacement being communal weapons. The use of paramilitaries and organized crime to push forth the goals of ethno-territorial claims created a realm where the state was non-existent, and the population, not soldiers, bore the brunt of the war (Belloni 2007, 125). Bosnia and Herzegovina was a perfect example of the theory of “new war.”
It was into this quagmire that UNMIBH entered and conducted a ten year peacekeeping mission which included the “the most extensive police reform and restructuring mission ever undertaken by the United Nations (Lynch 2001).” The Dayton Accords created the International Police Task Force (IPTF) to increase and create effectiveness in local civilian law enforcement. The war in Bosnia and Herzegovina had penetrated into every aspect of society (especially into policing) and it was hoped that monitoring by the UN would both demilitarize the police and ease ethnic discrimination (Toal and Dahlman 2011, 181). IFOR and SFOR worked closely with the IPTF until the program was replaced in January 2003 by the European Union Police Mission (EUPM) (Directorate for Investigations of Senior Officials 2003, 5).

This enforced peace stopped the killing in Bosnia and Herzegovina, but a return to cultural unity and tolerance is still underway. Linz and Stephan describe Bosnia and Herzegovina as having a “stateness problem.” The fundamentals of the state are contested; challenges exist to the rights of each ethnic group, to the territorial boundaries of the

---

**The Dayton Accords**

Annex 11, Article III
IPTF Assistance Program

1. IPTF assistance includes the following elements, to be provided in a program designed and implemented by the IPTF Commissioner in accordance with the Security Council decision described in Article I(2):

(a) monitoring, observing, and inspecting law enforcement activities and facilities, including associated judicial organizations, structures, and proceedings;

(b) advising law enforcement personnel and forces;

(c) training law enforcement personnel;

(d) facilitating, within the IPTF’

(e) assessing threats to public order and advising on the capability of law enforcement agencies to deal with such threats.

(f) advising governmental authorities in Bosnia and Herzegovina on the organization of effective civilian law enforcement agencies; and

(g) assisting by accompanying the Parties’ law enforcement personnel as they carry out their responsibilities, as the IPTF deems appropriate.

(Department of State 1995)
political communities, and even who has the right to citizenship. The national anthem is an example of this fracture; the song is purely instrumental since the three ethnic entities could not agree on lyrics (Belloni 2007, 4). The answer to this stateness problem has been to attempt to integrate Bosnia and Herzegovina into the European institutions (Belloni 2007, 181). One of the major problems that international institution and collation building has encountered in the Balkans is the preconceived set of notions that these states have always been rift with civil war, that such conflict is in their blood, or that the area suffers from a historical “path dependency.” This attitude was clearly shown in 2009 by the European Union’s High Representative Valentin Inzko who claimed Bosnia had a “dependency syndrome” learned from its inclusion in the Ottoman Empire (Chandler 2010, 99).

The three factions in Bosnia and Herzegovina were fearful of a return to war and bloodshed. The Bosniaks would not agree to peace unless the United States would help them equip their own army so they would not be able to be steamrolled by Serbian forces once more. The Pentagon opposed such agreements, but United States foreign policy (though the office of the President) intervened, and promises to “lead an international effort to ensure that the Bosnians have what they needed to defend themselves adequately” were made (Burg and Shoup 1999, 360, 366). This commitment, and the Bosniaks signing the Dayton Accords, led to the creation of the United States “train and equip” program (Burg and Shoup 1999, 366). The idea of training the Bosnian military, rather than directly involving United States troops was appealing to both the Department of Defense and the executive branch. Colin Powell spoke against direct United States military involvement as conflict in Bosnia and Herzegovina was expected to be a long
war with a high death toll. President George W Bush was firmer: “I am not interested in seeing one single United States soldier pinned down in some kind of guerilla environment (Binder 2007, 310).”

5.1.3 The Contracts and Contractors

The war in Bosnia and Herzegovina was the beginning of modern day contracting. The Global Logistics Civilian Augmentation Program (LOGCAP) was created in 1985 and had previously been used to support United States troops in Southeast Asia and Somalia. However, the LOGCAP contract which covered Bosnia was much larger than anything seen previously; in fact, the contract to support the twenty thousand United States troops deployed with IFOR was largest contract ever awarded in the history of the industry at more than $546 million (Uesseler, Servants of War: Private Military Corporations and the Profit of Conflict 2008, 76). In 1992 this first contract was awarded to Brown and Root and three years later was awarded to DynCorp (Bolkovac and Lynn 2011, 13). DynCorp was also pivotal in providing contractors for the International Police Task Force (IPTF) program. Each United Nations member state was expected to supply officers from its national police forces; however, the United States is not equipped with a deployable, federal peace-keeping force. Police work in the United States is predominantly handled by local municipalities. DynCorp solved this problem by hiring city-level police forces and sending them to fulfill the United States requirements for IPFT (Bolkovac and Lynn 2011, 13).

Contracting exploded in Bosnia. In the Persian Gulf War (1991) contractors made up less than 3% of the deployed force, but by 1996 in Bosnia that number had
jumped to 9% (Government Executive 1996). One in ten people deployed from the United States in Bosnia and Herzegovina was reported to be a contractor (Guillory 2001). This study looks at three contractors and their matching contracts. The first is MPRI who was in charge of the United States “Train and Equip” program. The second is DynCorp who managed the police deployment for the IPTF. The third is Brown & Root with the LOGCAP contract, and other support work.

5.1.3.1 MPRI and the Train and Equip program

Train and Equip is the component of the Dayton process which calls for the establishment of professional United (Croat-Bosniac) Federation armed forces in order to defend against and deter aggressors. (United States Government Accountability Office 2007)

The Dayton Accords brought peace to Bosnia and Herzegovina, but many worried it was temporary. In order to sign the peace accords, the Bosniaks and the Croats had to be convinced that they would not be overrun by the Serbs. Juan Carlos Zarate interviewed United States Ambassador James Pardew, the State Department’s Special Representative for Military Stabilization in Yugoslavia. The Ambassador stated that it was understood by all the entities involved with the signing of the Dayton Accords that a private firm would be contracted to turn the Bosnian forces into a modern military force. Soldiers would be trained, weapons would be provided, and the balance of power adjusted so that the newly created government could deter aggression (Zarate 1998, 110). In December of 1995, the United States President informed Congress that these promises would be upheld, and the Office of the United States Special Representative for Military Stabilization in the Balkans was created to oversee this process (United States General Accounting Office 1997). The $400 million US-managed contract, known as “Train and Equip,” was to create a professional military under the control of the new Federation
government, and unite the Croatian and Bosniak military forces (United States Government Accountability Office 2007) (Bhatia 2005).

In May of 1996, MPRI was awarded the Train and Equip contract for Bosnia. In a report to the United States Senate’s Committee on Foreign Relations, the United States Government Accounting Office described the Train and Equip program thusly:

This program was designed to help create a stable military balance within Bosnia by offsetting Republika Srpska’s military advantages while staying within the Dayton Agreement’s arms control limits; to provide incentives and assistance for Bosniak and Bosnian Croat political leaders to integrate their armies and to develop an integrated defensive and deterrence capability; and to eliminate the Bosniaks’ wartime military and intelligence ties with the Republic of Iran. (United States General Accounting Office 1997)

Ambassador Pardew in July 24, 1996 gave a general overview of the tasks MPRI would be undertaking:

They [MPRI] will assist in the establishment of the Ministry of Defense and the Joint Command. They will perform a mission analysis and force structure development. They will be involved in the selection and integration of weapons into the Federation forces. They will develop an integrated logistics system; assist with command and control; assist in the development of training policy; assist in the conducting of unit training. They will establish a combat training center, or centralized training center for all forces. They will establish individual training programs; create a simulation center for staff training. They will help in the development of personnel management education and force development programs, and they will assist in operation planning and strategic concepts for the defense of the Federation (Singer, Corporate Warriors, The Rise of the Privatized Military Industry 2004, 129).
The bidding for the Train and Equip contract took place between three American firms (SIAC, BDM, and MPRI.) After a seventeen-week bidding period, MPRI won the contract. Peter Singer points out that there some difficulties believing that the contract was competitively awarded, as “the difficulty inherent in this official version is that as early as December 1995 it was widely known that MPRI would be the firm that would administer the training and preparatory work began before May (Singer, Corporate Warriors, The Rise of the Privatized Military Industry 2004, 128).” Additionally, MPRI does not normally supply military equipment, so a contract focusing on not simply training, integration, but also the introduction of modernized, western, weaponry, seemed out of place. However, the CEO of MPRI is also the founder of MPRI’s next-door neighbor Cypress International, who supplies military equipment (Harris 1996).

This contract was not MRPIs first involvement in the Balkans. On top of the previous involvement in neighboring Croatia detailed in chapter four, MPRI had also provided unarmed civilians as observers in the Serb controlled areas of Bosnia and Herzegovina. At the International Conference on the Former Yugoslavia it was determined that the United States would contribute forty observers to the observer mission spanning from November 1994 to April of 1996. Both the State Department and the Department of Defense hired MPRI to fulfill these international obligations (Cilliers and Douglas 1999). With Train and Equip, MPRI’s presence would balloon, leaving them with an estimated 175 contracted personnel in Bosnia, and with additional teams providing training out-of-area in Turkey (tank and artillery training) and Germany (helicopter training) (Shearer 1998, 60).
MPRI has continued their revolving-door policy with the United States military with the 1998 appointment of Retired American General Major Walter Yates to head the Train and Equip program in Bosnia. He was hired to this position within a month after retiring from the Army. Yates, who immediately prior to working for MPRI was the deputy commander of the Fifth Corps of the United States ground forces in Europe, fulfilled the desires of the Bosnian government to have American military leadership and training, while allowing Washington the separation of using a private firm (Independent Sarajevo News Agency 1998).

The progress and limitations of the Train and Equip program will be discussed throughout this chapter, but prognosis is overall positive in integrating the Bosniak and Croat forces into a unified military unit (United States Government Accountability Office 2007). (This, of course, leaves out the third ethnic entity and military force located within Bosnia, the Serbs.) By January of 1997, 523 Bosniak and Croat personnel had graduated from MPRI’s school (United States General Accounting Office 1997). MPRI’s plan to train the Federation Army is based on what Peter Singer calls the “pebble in the pond” approach (Singer, Corporate Warriors, The Rise of the Privatized Military Industry 2004, 129). The idea is that if one service member is trained, that individual can take the information back to the rest of the troops, and it will spread throughout the armed forces.
<table>
<thead>
<tr>
<th>Donor</th>
<th>Value US Millions</th>
<th>Equipment value, quantity, and type</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>$103.4</td>
<td>$51.5 in drawdown equipment 45 M-60 tanks 15 UH-1H helicopters 80 M113 armored personnel carriers 840 AT-4 light antitank weapons 46,100 M-16 rifles 1,000 M60 machine guns 80 M2 .50 caliber machine guns 45 M85 machine guns 45 M245 machine guns 2,332 Radios 4,100 Tactical telephones 168 Generators 400 Binoculars Combat training simulation systems Maps Ammunition Uniforms Publications $2.64 in excess defense articles 116 155mm Towed Howitzers</td>
<td>$34 for transport and other Service</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>$120</td>
<td>42 French-made AMX30 tanks 36 105mm howitzers 44 Armored reconnaissance Vehicles</td>
<td>Artillery training in United Arab Emirates</td>
</tr>
<tr>
<td>Egypt</td>
<td>$3.8</td>
<td>12 130mm guns 12 122mm howitzers 18 Antiaircraft guns</td>
<td>Officer training in Egypt</td>
</tr>
<tr>
<td>Turkey</td>
<td>$2</td>
<td>1,000 Rifles 100 Grenade launchers Ammunition</td>
<td>Tank and artillery training in Turkey</td>
</tr>
<tr>
<td>Pakistan</td>
<td></td>
<td></td>
<td>Technical training</td>
</tr>
<tr>
<td>Germany</td>
<td></td>
<td></td>
<td>Helicopter pilot and armored vehicle maintenance training in Germany Technical training</td>
</tr>
<tr>
<td>Qatar</td>
<td></td>
<td></td>
<td>Technical training</td>
</tr>
<tr>
<td>Bangladesh</td>
<td></td>
<td></td>
<td>Technical training</td>
</tr>
<tr>
<td>Indonesia</td>
<td></td>
<td></td>
<td>Technical training</td>
</tr>
<tr>
<td>Morocco</td>
<td></td>
<td></td>
<td>Unspecified</td>
</tr>
</tbody>
</table>

Table 5.1 Equipment Donations to the Train and Equip Program as of March 31, 1997 (Committee on Foreign Relations 1997)
5.1.3.2 DynCorp and the IPTF

One of the older private military contractors, DynCorp traces its corporate lineage to 1946 and California Eastern Airways and Land-Air Inc. Land-Air absorbed California Eastern Airways and went through several name changes, finally ending as DynCorp in 1987. At the time this study is interested in, DynCorp is an employee-owned company, although that will change in 2003. (DynCorp is purchased in 2003 by Computer Sciences Corporation, again in 2005 to Veritas Capital, and most recently to Cerberus Capital Management for 1.5 billion. Cerberus also owns one of the largest gun manufacturing plants (Dealbook 2010).) Outside of Bosnia, DynCorp is most famous for its work in Colombia, Iraq, Afghanistan, and its domestic involvement with Hurricane Katrina.

DynCorp became active in the Balkans supporting NATO peacekeeping forces in Bosnia and Herzegovina. From 1995 to 1997, the company was the recipient of the $546.6 million Army’s Logistics Civil Augmentation Program contract (LOGCAP) to undertake the logistics of supporting United States personnel (Wynn 2000). DynCorp was also contracted to provide civilian police officers in Bosnia under the UN’s IPTF mission. The United Nations Mission in Bosnia and Herzegovina (UNMIBH) oversaw to main branches. The first was the UN Civilian Office, and the second was a CIVPOL mission entitled the United Nations Police Task Force (United Nations Department of Public Information 1999).

The war in Bosnia and Herzegovina forced civilians and military alike into open warfare, and the police were an active part of the fighting. The lines between police, military, and paramilitary were blurred. Many who chose to become police officers were
not trained in civilian policing, nor did they have the basic resources (such as buildings) to succeed at their task. Due to this, in December 1995, the United Nations Security Council passed resolution 1031 which created and allowed the United Nations International Police Task Force (IPTF) and the United Nations Civilian Office to establish operations in Bosnia and Herzegovina (United Nations Department of Public Information 1999). The newly created IPTF was to be staffed through international donations of police officers\(^{39}\), of which the United States promised 200 officers (State 2005, 28). However, since the United States lacks such a domestic force that can deploy internationally, the state turned to a private provider. In the 1990s the United States sent DynCorp employees as their civilian police detachment to Bosnia, Kosovo, and East Timor (Avant, The Privatization of Security and Change in the Control of Force 2004).

International police keeping via private contractor was not cheap. For a period of five years, DynCorp was contracted to provide 2,000 civil police to be deployed for CIVPOL missions in Bosnia, Kosovo, East Timor, Afghanistan, and Iraq. For this contract, S-LMAQM-04-C-0030 and its associated amendments (0001 through 0008), the total award authorized by the United States State Department was $1,751,076,575 (State 2005, 1-8, 27-28).

The likely organization within the United States to donate officers or be involved in international policing is the Bureau of International Narcotics and Law Enforcement

\(^{39}\) As of March 1999, the following countries had donated police to the IPTF: Argentina, Austria, Bangladesh, Bulgaria, Canada, Chile, Denmark, Egypt, Estonia, Fiji, Finland, France, Germany, Ghana, Greece, Hungary, Iceland, India, Indonesia, Ireland, Italy, Jordan, Kenya, Lithuania, Malaysia, Nepal, Netherlands, Nigeria, Norway, Pakistan, Poland, Portugal, Romania, Russian Federation, Senegal, Spain, Sweden, Switzerland, Thailand, Tunisia, Turkey, Ukraine, United Kingdom and United States (United Nations Department of Public Information 1999)
Affairs (INL). The INL is part of the Department of State Civilian Police (CIVPOL) office. The United States Institute for Peace (USIP) reports that INL “is the only program in the United States government that provides operational capacity for stability operations” and the responsibility for international civilian policing missions is solely the bailiwick of the INL. The INL provides this capacity through contracting with a private firm to “recruit, train, and provide administrative and logistic support to United States CIVPOL contingents serving abroad.” Notably, USIP reports that “the United States is the only country to use contractors of a commercial firm, as opposed to police officers in national service, for UN and other missions (United States Institute of Peace 2004).” Funded by INL, DynCorp also maintains a “ready roster” of several hundred police and support personal that are ready to be deployed as needed (United States Institute of Peace 2004).

No matter who is hiring them, the police officers in the CIVPOL program are “real” police officers. INL attempts to educate and inform national police departments about these

---

Functions specifically entrusted to the IPTF include:

* monitoring, observing and inspecting law enforcement activities and facilities, including associated judicial organizations, structures and proceedings;

* advising law enforcement personnel and forces;

* training law enforcement personnel;

* facilitating, within the IPTF mission of assistance, the parties' law enforcement activities;

* assessing threats to public order and advising on the capability of law enforcement agencies to deal with such threats;

* advising Government authorities in Bosnia and Herzegovina on the organization of effective civilian law enforcement agencies; and

* assisting, by accompanying the parties' law enforcement personnel as they carry out their responsibilities, as the Task Force deems appropriate.

* In addition, the Task Force is to consider requests from the parties or law enforcement agencies in Bosnia and Herzegovina for assistance, with priority being given to ensuring the existence of conditions for free and fair elections.

(United Nations Department of Public Information 1999)
opportunities abroad and the salary (more than $85,000 a year) provides a strong encouragement for domestic offices to consider joining the private security industry. (The United States Bureau of Labor Statistics reports that the average salary in 2010 for a police officer was $56,000.) DynCorp also arranges all travel, provides all equipment (including informs which domestic police may have to provide themselves), medical care, and training (United States Institute of Peace 2004).

American civilian police, DynCorp contractors, appear the same as any other member of the United Nations IPTF. They are, in fact, full members and part of the team, despite being privately employed rather than under federal control. They wear United States uniforms, they carry weaponry issued to them by the United States government, and they may have the authority to shoot to kill (United States Institute of Peace 2004). This lack of deferential creates difficulties with accountability and oversight. Not only do contractors come to DynCorp through various means with often sketchy and rushed investigations regarding an officer’s past, but if crimes are committed overseas, disciplinary actions are often lost in the bureaucratic red tape and never follow an officer back to the United States (Human Rights Watch 2002, 48).

It is important that these contractors be held to high standards, as they are tasked with the reintroduction of law into a war-torn society. The United States Department of State lists the key responsibilities of the IPTF team as: certifying police personnel, separating civilian law enforcement personnel and functions from the military, reforming and restructuring police forces to reflect independent civilian authority, vetting police personnel for human rights violations and other crimes, and training, monitoring, and advising the entities police forces on the principles of democratic policing (State 2005,
28). The IPTF attempted to maintain a ratio of one CIVPOL for every 30 local police officers, as well as to provide monitors for the judicial and prison system. In 1998 the United Nations raised the number of IPFT officers to be deployed in Bosnia and Herzegovina to 2,057 (United Nations Department of Public Information 1999).

The United States, and thus DynCorp, involvement with the international civilian policing mission in Bosnia and Herzegovina ended in December 2002. The much smaller European Union Peace Mission (EUPM) took over advising and mentoring duties from IPTF in January of 2003 (United States Institute of Peace 2004).

5.1.3.3 Brown & Root and Support Services (LOGCAP)

Brown and Root is one of the oldest PSCs, tracing its roots back to Texas in 1918. In 1962, Halliburton bought Brown and Root. In 1998 Halliburton and Dresser Industries merged and combined two of their subsidiaries into one. Brown & Root became Kellogg, Brown, & Root and would go on to be the largest United States contractor involved in Iraq (Kelley 2007). In 2007, Halliburton divested itself of Kellogg, Brown, & Root and the company went public.

In 1992, Brown and Root were awarded the first comprehensive LOGCAP contract, known as LOGCAP I. The LOGCAP program was started in 1985, but had previously only been used to construct two petroleum pipeline systems (Government Executive 2003). The 1992 LOGCAP contract required Brown and Root provide full support and logistical services for the deployment of up to 20,000 soldiers anywhere in the world. This contract activated when the United States deployed to Bosnia with Operation Joint Endeavor (Soast 1996). Brown and Root handled almost every aspect of
logistics for building and maintaining the military’s base camps. The firm built temporary and permanent camps, operated dining facilities, provided “supply classes I, II (organizational clothing and individual equipment), III (packaged and bulk petroleum), and IV (construction and barrier materials), and manages class IX (repair parts and components), transportation, construction, laundry, and feeding support (Rees 2001).”

Brown and Root also undertook unexpected jobs that arose, such as providing logistical support in acquiring clean water. Colonel Herman Palmer, Chief of the Maintenance Division, Office of the Deputy Chief of Staff for Logistics, illuminated this all encompassing contract by explaining how the army had water purification units, but needed additional low-density water purification specialists. Brown and Root stepped in. When the phrase “contractor support” was used in Task Force Eagle, it was known the firm in question was Brown and Root (Palmer 1991).

LOGCAP I was a very large contract, and did not simply cover Bosnia. It was maintained by United States Army Corps of Engineers Transatlantic Programs Center. From 1992 – 1997 the following projects were covered under LOGCAP I:
Table 5.2 The United States Army Corps of Engineers Explains LOGCAP Duties

* For Operation Restore Hope in Somalia, beginning in December 1992, the contractor provided logistics services to both United States and United Nations troops during a 16-month period. Services included weatherizing buildings, drilling wells, restoring electricity, removing trash and debris, and providing laundry operations. Later, the contractor was engaged to complete the retrograde and withdrawal of remaining United States equipment when it was no longer needed.

* For Operation Support Hope in Zaire and Rwanda, the contractor was tasked with producing, transporting, and storing water for the United States military. This effort occurred from August through October 1994.

* For Operation Uphold Democracy in Haiti, the contractor provided the full range of logistics services for United States and multi-national forces – from life support (base camp set up, food, water, and sanitation services) to transportation and maintenance services (vehicle maintenance, air and seaport operations, repair of transportation routes). These services were provided as needed from September 1994 through April 1996.

* For Operation Vigilant Warrior in Southwest Asia in Fall 1994, the contractor provided food and transportation services for United States troops deployed to the Middle East.

* For NATO's Operation Deny Flight which patrolled the “no fly” zone over Bosnia-Herzegovina, the contractor provided a temporary contingency billeting area to support United States military operations from Aviano Air Base in Italy. The temporary camp provided life support facilities for approximately 1,000 members of the United States forces who were temporarily assigned there. This work occurred from September to December 1995.

* For Operation Joint Endeavor, the contractor was activated in December 1995 to set up and operate an intermediate staging base in Hungary and to help establish and/or operate some 24 base camps in Croatia and Bosnia. Additionally, the contractor provided services such as food preparation, laundry, waste removal, and refuse collection; transportation and cargo services; port operations; and road maintenance and repair. LOGCAP I supported operations in the Balkans until May 1997. (U.S. Army Corps of Engineers n.d.)
As IFOR continued and became SFOR, the United States Army realized they would continue to need Brown and Roots services even after LOGCAP I expired, and so a $413.5 million sustainment-services contract was granted. This took Brown and Root to May of 1999, when there was another competitive award of a logistics-support contract with the potential for four one-year extensions (Wynn 2000). This continuation is but one way to show the United States dependency on contracting in Bosnia. Another way is to realize that at one point the contractor to uniformed army personnel was almost exact 1:1 (5,900:6000) (Guillory 2001) and that thirteen percent of the almost 2 billion dollars the United States spent on Bosnia went directly to Brown and Root (Bryce 1996).

A Colonel for the United States Army Corps of Engineers described the interplay between the Pentagon and Brown and Root as “almost mandatory:”

Restrictions in the force structure and the military footprint in many overseas operations make using a logistics-support contractor like Brown & Root almost mandatory. All parties gain by this relationship. The United States is able to leverage the global presence and capabilities of large robust corporations and limit the amount of forces it must devote to the logistical tail of an operation. Corporations gain a very reliable customer (albeit a sometimes difficult one) with a healthily workload. United States forces gain an acceptable quality of life at a reasonable cost. The citizens of the United States gain more effective and efficient armed forces supporting democracy around the world (Wynn 2000).

Brown and Root is fully aware of how imbedded their contractors are. Before going to Bosnia and Herzegovina, the company trains their contractors in the use of the military gear they were issued, first aid, spotting and avoiding unexploded ordinance, basic survival skills, and, before Brown and Root forbid its employees from carrying weapons,
the use of the small arms if the contractor was authorized to have a handgun (Guillory 2001).

5.2 The Actions of States

5.2.1 Was the PSC Intentionally Deployed?

In all three of the contracts being discussed, the PSCs were intentionally deployed. MPRI’s training in Croatia had garnered the Bosnian Federations attention, and the Federation was eager to see the balance of power in Bosnia and Herzegovina shift. DynCorp’s deployment for IPTF is was “standard” way for the United States to provide CIVPOL support, and Brown and Root had held the LOGCAP contract in preparation for just such a deployment as Bosnia. In each case the contract was supported by both the United States and the Bosnian Federation.

The United States was placed in a difficult situation in Bosnia and Herzegovina as it both wished to see Europe take on a more leadership role in the post-Cold War, but also wished to maintain Washington’s hegemony in both NATO and the Western world at large. There was fear, expressed most articulately by Madeline Albright, that “the United States was sending a message to the world that it was not willing to commit itself deeply to European security affairs (Aoi 2011, 61).” This was true in both the diplomacy leading to the end of the war and the reconstruction process itself. The United States, through Secretary of State Warren Christopher, made it clear that Washington would support agreements for peace that contained enforcement provisions, but only if they were “acceptable to all parties” and only through combined enforcement activity (such as the United Nations or NATO (Burg and Shoup 1999, 234).
As Bosnia and Herzegovina moved further through the peace process, the United States was able to use military support for rebuilding efforts as a carrot to ease the passage of the Dayton Accords. As a precondition for signing the peace accords, Bosnian president Alija Izetbegovic required that the Federation Army receive similar training as MPRI provided for Croatia (Uesseler, Servants of War: Private Military Corporations and the Profit of Conflict 2008, 73). Before Washington would allow MPRI to begin the train-and-equip program, the President insisted on two conditions. The first was the removal of all foreign belligerents (such as mujahedeen) from Bosnia and Herzegovina and the termination of military and intelligence ties to Iran, and, secondly, a law the codified the merger of the Croatian military forces and the Bosniak military forces into a single entity (The White House 1996). The offer of MPRI’s training was thus able to be used as an incentive, and political tool, to promote United States interests in Bosnia and Herzegovina (Shearer 1998, 61) (Zarate 1998, 110).

The access to MPRI and the promise of contractors to modernize Federation forces allowed Washington to maintain the ideology of having a velvet glove and light touch on the situation in Bosnia and Herzegovina when in truth the United States was wearing a gauntlet. The policy was effective. Arms and ordinance stopped flowing from Iran and the Iranian Revolutionary Guard and mujahedeen that were present in Bosnia and Herzegovina withdrew (United States Government Accountability Office 2007). Indeed, this coercion was so apparent that Cillers and Douglas report in *The Military as Business - Military Professional Resources, Inc* that a standard joke among the Federation was that MPRI really stood for Military Professionals Replacing Iran (Cilliers and Douglas 1999)!
Washington guided the direction of the Bosnian peace process, and, while the Federation had the final pick, the State Department assisted with the selection of the contractors (Shearer 1998, 61). This separation between official United States forces and private firms became very important as domestic pressure built at home. The United States President’s opposition party, and NATO itself, had resistance to using “war fighters” for “peacekeeping” (Toal and Dahlman 2011, 203). More so, a significant majority of Americans believed that the United States had no responsibility to act in Bosnia and Herzegovina (62% in November 1994, and 64% in June 1995.) (Burg and Shoup 1999, 164)

Without the support of the American people, and with the Republican Party snapping at his heels, President Bill Clinton needed answers that did not hinge on “war fighters.” Republican controlled Congress supported arming the Bosnian Federation strongly enough that they threatened the IFOR deployment in order to push their agenda. Yet if the United States was to directly arm the Federation it could risk the fragile process of building peace. Later involvement in IFOR and SFOR required the United States to remain neutral. It could not offer military assistance to the Federation (Shearer 1998, 60). MPRI was the perfect solution; it offered “military training and expertise consistent with NATO standards, an important factor for the Bosnian administration.” Bosnian Prime Minister Muhamed Sacirbey apparently claimed that MPRI was the “next best thing” to official United States military assistance (Singer, Corporate Warriors, The Rise of the Privatized Military Industry 2004, 122).

Private training through public funds proved the effective answer (Singer, Corporate Warriors, The Rise of the Privatized Military Industry 2004, 210). The United
States believed that a military build-up by the Bosnian military was mandatory to create lasting peace in the region through adjusting the balance of power. The Bosnian Serbs were commanded to de-arm through Dayton’s arms control provisions, and MPRI increased the Bosnian Federations military strength through training and the provisioning of weaponry. While Europe strongly objected to any variant of this policy, saying that arming any member of ethnically-divided Bosnia would lead to conflict rather than prevent it, the United States pursued the train-and-equip policy. Senator Joe Biden summarized: “We will not be able to leave unless the Bosnian government is armed and prepared to defend itself. That's the ticket home for Americans (Thompson, Bosnia: Generals for Hire 1996).”

Furthering this idea of separation between the United States and the training of the Bosnian forces was the fact that the Bosnian Federation was directly hiring MPRI with the State Departments blessing. The State Department simultaneously revealed the contract in both Sarajevo and Washington (Harris 1996). The contract itself was paid through a conglomeration of sources, with the majority of the money coming from the Middle East, and specifically the United Arab Emirates. This was an interesting display of how foreign policy has changed with the advent of privatization. The moderate Arab states desired to support their Muslim neighbor in Bosnia, bring stability to the region, and ensure Iran’s influence did not spread. Rather than sending their own troops, these states were able to simply underwrite the training offered by MPRI (Singer, Corporate Warriors, The Rise of the Privatized Military Industry 2004, 178). David Shearer tells of a State Department official that called MPRI’s presence in Bosnia a way to support “United States policy with someone else’s money (Shearer 1998, 61).”
As the below chart clearly shows, despite considerable external funding, the United States has put significant money into train-and-equip and the rest of the contracting which took place in Bosnia and Herzegovina. Many of the countries who contributed additional funds for the train-and-equip program were also those who received a substantial amount of United States aid (Thompson, Bosnia: Generals for Hire 1996). A Bosnian newspaper reports that the total amount spent to pay MPRI may have been as high as $9.5 million, and the Federation Army Commander still sought additional funds for further equipment (Vecernje Novine 1999). Further, the United States costs for the LOGCAP program broke a billion dollars in the 1990s. Because LOGCAP is an umbrella contract, it is difficult to pull out numbers simply for Bosnia and Herzegovina (State 2005, 1-8, 27-28). However, there is an argument that this contracting may be cost effective; an article in *Military Review* uses the LOGCAP contract to show how money was saved through contracting in Bosnia and Herzegovina. A contract that would have cost the Army $318 million to undertake was completed by contract labor at $100 million (Brower 1998).

Table 5.3 DOD Incremental Costs of Peacekeeping and Security Contingency Operations

<table>
<thead>
<tr>
<th>Former Yugoslavia (Bosnia) - Cost in Millions of US current year dollars</th>
<th>Source: (Serafino 2005)</th>
</tr>
</thead>
<tbody>
<tr>
<td>IFOR/SFOR/Joint Forge</td>
<td>2,231.7</td>
</tr>
<tr>
<td>Other Former Yugoslavia Operations</td>
<td>784.0</td>
</tr>
<tr>
<td>Total</td>
<td>784.0</td>
</tr>
</tbody>
</table>
The idea of using a carrot (MPRI training the military) to incentivize belligerent parties worked extraordinarily well with the Bosniaks. They responded to the motivation by meeting all the reporting and destruction requirements in the Dayton Peace Accords. As a counterexample, the Republika Srpsk did not comply with the arms control requirements (United States Government Accountability Office 2007). MPRI’s training provided a way to push United States policy goals without Washington’s direct involvement.

Intervention in weak and failing states has been a priority of the Western world since the Cold War. The crisis in the Balkans finally teetered to peace, and the United States had to maintain the role of a neutral party. It was known IFOR would be a long deployment (and it was, becoming SFOR and ending in 2005.) The United States was hesitant to get involved, paralyzed by the debacles of Vietnam and Somalia, or what Assistant Secretary of State Holbrooke called the “Vietmalia syndrome” (Belloni 2007, 20). Through training and support, private force circumvented such fears and allowed for international intervention to succeed.

5.2.2 The Effect on Capacity

Since the beginnings of Bosnia and Herzegovina’s ethnic conflict, the state has been subject to outside influence. Not only was the country faced with the challenges of declaring independence from Yugoslavia, but it also was confronted with discord among its three distinct ethnic entities. Any discussion regarding Bosnia and Herzegovina’s capacity will show that there has been a positive, incremental change, as in the midst of the war there was the absolute dissolution of the state and all affiliated apparatus. The
resolution of this conflict left Bosnia and Herzegovina with two separate autonomous systems loosely conjoined under a weak central government. This central government is controlled by a bicameral parliament assembly and a directly elected three-person presidency (one from each ethnic group.) The Federation of Bosnia and Herzegovina and Republika Srpsk perform constitutional, legislative, executive and judicial functions independently of one another. Since the Dayton Accords, the states level of control has increased over Bosnia and Herzegovina mainly through international involvement in the peace implementation process.

In order to implement the Dayton peace Agreement, the Peace Implementation Council was formed. That entity appoints the High Representative for Bosnia and Herzegovina who oversees the growth and governance of Bosnia and Herzegovina with the hope and intention to see the state become strong, stable member of the European community. Early progress was dismal with Bosnia and Herzegovina being unable to agree upon a flag, issue passports, define citizenship, obey the rule of law, phase out illegal institutions within governance (organized crime and racketeering), normalize relationships with neighboring countries, or manage an effective domestic and international economic policy. In response to these failures the Peace Implementation Council strengthened the powers of the High Representative in 1997, allowing the office to create legally binding decisions when the government was unable or unwilling to act, and remove from office officials (elected or otherwise) which impeded the goals of the Dayton Accords. (Office of the High Representative 1997)

Over time, progress has been achieved on these goals, often through the direct involvement in governance by the High Representative. The first steps to joining the
European Union were undertaken, so much so that by 2003 Bosnia and Herzegovina was listed as a potential candidate country for membership (Delegation of the European Union to Bosnia and Herzegovina n.d.). The state has become capable of planning and executing goals, war criminals have been arrested, and, perhaps most importantly, more than a million people displaced by war have been able to return home (Belloni 2007, 4). While the rebuilding of Bosnia and Herzegovina was far from flawless, the state (with international assistance) made great strides, especially considering the total annihilation of the governance system through war and ethnic conflict.

While ethnic reconciliation is discussed later in the chapter, it is notable on the discussion about capacity that the amount of Serbs who support the central state of Bosnia and Herzegovina has drastically increased. Between 1996 and 2002 the Bosnian state saw a fourfold uptick in support for the central government. Over half of the Serbian population would still prefer the Republika Srpsk or to join Serbia, but the idea of a unified Bosnia and Herzegovina has gained traction and acceptance (Belloni 2007, 163).

There have been some difficulties with the track the interactional community has taken to build democracy in Bosnia and Herzegovina. This is most notable with the strong push for rapid elections. Until 2001 every election, be it city, canton, or for the highest office of the land, was run by IGOs (Belloni 2007, 73). Between 1996 and 2006 Bosnia and Herzegovina had nineteen electoral races; almost two a year! Politicians who are focused on re-election are unable to pursue unpopular and difficult policies which require sacrifice and concession. The way in which the electoral system is formatted also gives little reason for yielding or compromise as the three ethnic entities each elect their
own representatives (Belloni 2007, 93). Politicians do not have to maintain a universal appeal or cater to the masses, but rather can maintain membership in the in-group and cultivate the sense of “we” as an election platform. In a country that was recently torn asunder by ethnic conflict, this can be quite problematic.

The push for elections by the international community demonstrates an epidemic problem in peace-building. It is not simply IGOs that seek to show measurable progress (such as free and fair elections being a proof of democracy.) Projects which promise immediate results are funded, while long-term undertakings which produce less quantifiable findings (such as being focused on building civil society) are passed over. NGOs are aware of this preference in funding, and thus write requests for grants accordingly (Belloni 2007, 179). The focus becomes on short-term results that produce worthwhile talking points rather than on methodically changing the underlying conditions. Long-term project have a higher chance of increasing local involvement and creating institutional legacy once the NGO leaves. Brown & Roots contracts in Bosnia and Herzegovina were able to follow this deeper engagement with civil society through employing local contractors and purchasing locally made supplies (see section 5.2.2.2 for a more in-depth explanation.)

Capacity is the measure of a state to plan and achieve its goals. In parts of the world with a high probability of conflict, the size and strength of the military is an important part of capacity. The Dayton Accords were very well aware of that. The Republika Srpsk had a fairly strong military force due to Serbia’s support during the war. In 1992, Milosevic continued his planning for a Greater Serbia by secretly ordering that all Bosnian Serb JNA offers be transferred back to Bosnia (Burg and Shoup 1999, 101).
This created a JNA force in Bosnia largely comprised of Serbian officers making it a distinctly Serbian army loyal to Milosevic and clearly siding with the Republika Srpsk. Belgrade also provided logistics and weapons support for the Republika Srpsk’s splinter army (Burg and Shoup 1999, 102). The first six weeks of the war saw a flood of support from the JNA from all areas. Troops from Serbia entered the conflict, troops retreating from Croatia, and the units stationed in Bosnia all fought on the side of the Republika Srpsk. Steven Burg and Paul Shoup contest that “without the participation of the JNA, it is doubtful that the cities along the Drina where the Muslims were the majority would have fallen so rapidly, if at all (Burg and Shoup 1999, 130).” On top of providing soldiers, the JNA also had access to superior weaponry and additionally captured/controlled weapons storage areas in much of Bosnia and Herzegovina. After Dayton the JNA in Bosnia and Herzegovina folded into the Republika Srpsk.

The Bosnian Federation had no such advantages. The aforementioned train-and-equip program sought to address this imbalance by providing “$100 million in United States military equipment, including rifles, machine guns, light anti-tank weapons, armored personnel carriers, and tanks, as well as communication equipment and helicopters, to the Bosnian (Muslim-Croat) Federation (Burg and Shoup 1999, 379).” The Peace Implementation Council disagreed with such a decision, and High Representative Carl Bildt spoke against the policy by highlighting that perhaps arming the most aggrieved party was not an appropriate strategy for peace (Belloni 2007, 22). It was seen as likely that the Bosniaks would take this newfound military might and retake the territory they had lost or otherwise jeopardize the ceasefire (Mandel 2001, 142). The
American policy seems to have paid off, as the balance of power in the region has stabilized, and no further bloodshed has erupted.

The capacity of the United States was also challenged by Bosnia. In this case the matter was not one of domestic control, but rather staying paramount in the international arena. Early support for the Bosniaks came almost solely from Islamic nations through the smuggling of arms and training by the Iranian Revolutionary Guards (Burg and Shoup 1999, 307). Diplomats, like Assistant Secretary Holbrooke, found this situation distasteful and pushed Washington to intervene, even if in a clandestine manner. In January of 1993 (before his appointment as Assistant Secretary of State for European and Eurasian Affairs) Holbrooke suggested such a course of action (and the use of private force) in a memorandum to Secretary of State Warren Christopher and National Security Advisor Anthony Lake:

I would therefore [also] recommend consideration of something that I know will cause many people heartburn: that we allow covert arms supply to the Bosnian Muslims, so that Bosnia’s outside support no longer comes solely from the Islamic nations...It does, however, carry the serious drawback of showing the United States evading a Security Council resolution that it previously supported. This concern could be lessened if our actions were accompanied by public efforts at the UN to change the embargo, or if we acted only through third parties, as we did in Afghanistan.” (Holbrooke 1998, 52) (emphasis in original)

Once Holbrooke was in office, he immediately began seeking ways around the arms embargo (Burg and Shoup 1999, 308). He believed that the United States ability to drive policy in Europe would be based upon how the conflict in the Balkans unfolded: “Bosnia will be the key test of American policy in Europe. We must therefore succeed in
whatever we attempt (Holbrooke 1998, 50).” It took until the summer of 1995, almost a year after Holbrooke took office, until the general consensus shifted his direction. It was viewed that the United States hegemonic leadership and credibility (not to mention NATO) was at stake in the Bosnian endeavor (Aoi 2011, 61). Through strong diplomacy leading to Dayton, and the dedication to deploy and support peacekeepers, the United States was able to weather these challenges to its international leadership and capacity.

5.2.2.1 Does the State Control Governance? - An Exercise in Shared Sovereignty

Bosnia and Herzegovina is now beginning to control its own governance, but in the late 1990s and early 2000s the most generous term that could be granted to it was a quasi-protectorate of the European Union. Political institutions remain ethnically divided as the ethno-political landscape has changed little since the end of the war. Elections, in fact, support that same divide, ensuring representation on all levels based on ethnic identity. The economy functions on ethnic lines (Croatian companies hire Croats, etc) and is rife with organized crime. Public projects are awarded to the people who are already in power (many of whom are responsible for the war in the first place) and creates a system of rent-seeking behavior (Toal and Dahlman 2011, 234). Each ethnic group lives clustered together, a feat easy to achieve after the ethnic cleansing and forced relocations which took place turning the war (Belloni 2007, 18).

The Presidential and parliamentary elections of October 2002 were the first that Bosnia and Herzegovina was in charge of running. The Central Election Commission of Bosnia and Herzegovina reported a low turnout for that year, compared to the first set of elections after Dayton which posted a 104% voter turnout (Central Election Commission
of Bosnia and Herzegovina n.d.) The 1996 ballots clearly experienced fraud, but also showed huge party mobilization to ensure representation in the newly formed governance system (Belloni 2007, 92). While the 2002 elections were generally seen as free and fair\textsuperscript{40}, the High Representative would later exercise the Bonn powers to remove some of the elected officials. All of these removals but one targeted the Republika Srpsk’s politicians under the justification that they were failing to cooperate with the ITCY’s prosecution and arrest of former Republika Srpsk President Radovan Karadzic (Belloni 2007, 93).

The elections did not create large gains in capacity for several reasons. The first reason focuses on the Bonn powers. An external veto does not mobilize civil society to be involved in elections (Belloni 2007, 58). It becomes worse when this veto is being almost exclusively used on one of the three entities in question. While the reason given for removal was a failure to cooperate with the international investigation and arrest of the former party president, these elected officials were still removed based on ethnic identity. (Of course their ethnic identity created the party these politicians claim membership of. It is this circle of political identity that reinforces the power of the ethno-nationalist political system within Bosnia and Herzegovina.) The second main issue is the rush for frequent and fast elections. As mentioned in section 5.2.2, external funding is a major source of revenue for Bosnia and Herzegovina. Donors interested in contributing to rebuilding the state are interested in seeing progress and elections serve as a successful sound-bite to show results. This creates politicians that do not focus on

\textsuperscript{40} For an in-depth look at the legitimacy of the 2002 Bosnia and Herzegovina elections see the October 2005 Organization for Security and Co-operation in Europe’s Election Observation Mission’s Final Report http://www.osce.org/odihr/elections/bih/14001
actual long-term progress, but rather short gains and nationalistic rhetoric to stay in office. In addition, this continual polling of the populace gives referendum to the idea of external control. While the international community is active in everything from police reform to military restructuring to electoral control, the population is given the sense that they are able to affect things by the continual elections (Belloni 2007, 179). Fast and rapid elections gave the appearance of empowering civil society rather than actually creating strength in the state.

This assertion of ethno-politics in Bosnia and Herzegovina was established in early 1992 as the struggle for power and identity began (Burg and Shoup 1999, 119). The three power groupings were established in war, ratified by the electoral process after the elections, and solidified into the state system of the three-entitied Bosnia and Herzegovina. This ethnically-separated state is what the European Union seeks to positively assimilate into its political bailiwick.

Bosnia and Herzegovina’s experience with international control shows the evolution of shared sovereignty. The European Union became deeply entangled in the rebuilding of Bosnia and Herzegovina while still maintaining the (sometimes laughable) notion that Bosnia and Herzegovina maintained legal sovereignty. The internal workings of the state were overseen by outside forces, such as donors, NATO, the European Union, and NGOs. Yet externally the state remained recognized as its own political entity with its own sovereignty which it in turn was attempting to merge into the European Union. In fact, the Dayton Agreement is the classic example of neo-trusteeship. Sovereignty was transferred to external actors not through war or other coercive means but rather through diplomatic channels and legal agreement (Chandler 2010, 56). Bosnia and Herzegovina
was a long-standing stable country until the 1920s, but war and ethnic conflict brought
the leaders to a place where they felt it was best to sign away their states legal rights for
the guidance of Europe.

Clearly handholding by the white elite raised some eyebrows. The European
Special Representative of Bosnia, Lord Paddy Ashdown, addressed charges of neo-
colonialism in 2006:

Is Europe acting in a quasi-imperialist fashion? Yes, but
the difference is that it is up to the people to say no if they
want to. This is still persuasion, it is not coercion. I think
it is perfectly legitimate for Brussels to say: ‘Guys here are
the rules, if you want to join the club you have to conform
to the standards. If you conform to them fine, but if you do
not to you do not have to join.’ It was very difficult for the
Republika Srpska parliamentary assembly to agree to
abolish their army and put it at the disposal of state
institutions, but they did it, not me. It was a free vote in the
Bosnian Serb parliament, I did not impose it. I may have
told them it would be a good thing and that if you want to
to get into NATO you have to, but it was they who took the
final decision. (Ashdown 2007)

The carrot of membership in NATO or the European Union was certainly a strong
motivator. However, it is important to also look at funding and external involvement. If
donors had removed their money, or external actors removed the troops keeping peace, it
is unlikely the state would have been able to function. There is an inherent threat of
withdrawal that does not let Bosnia and Herzegovina’s politicians truly debate choices
presented (Chandler 2010, 111). Western public opinion is sensitive to being viewed as a
neo-colonial power or otherwise treading into the colonial legacy. Thus the actions of
Bosnia and Herzegovina voting and approving the policies of the European Union –
rather than the European Union simply implementing them – gives the state projecting
power more legitimacy and protection from claims of treating Bosnia and Herzegovina as a colonial protectorate. Domestically, however, there is not much choice without risking monetary withdrawals or troop support. Problematically the need to bend knee to external forces means that much of the policy making takes place with the external power rather than with the other domestic politicians. The European Union is legitimatized, but Bosnia and Herzegovina’s civil society does not benefit.

Bosnia and Herzegovina maintains a unique status within the realm of international law. At first glance, it appears to be a sovereign state. Yet, since its reconstruction, Bosnia and Herzegovina the highest form of government in the state has been the High Representative. Through this office the European Union can remove elected officials, appointed civil servants, create legislation, runs the police, and handles negotiations with powerful IGOs such as the World Bank (Chandler 2010, 114). Yet, despite all of this, Bosnia and Herzegovina is not a member of the European Union. It is perhaps more than simply a member state, but rather the first full created entity in which Brussels holds the ultimate sovereignty. No amount of domestic voting changes the fact that the “partnership” is one-sided and the road to European Union membership is forced. As the soft-power of the European Union has weakened in the country – and civil society slowly strengthens – current day shows an increase of nationalism seeking more domestic solutions rather than those belonging to the European Union (Toal and Dahlman 2011, 317).
5.2.2.2 Does the State Provide Basic Services?

Bosnia and Herzegovina was unable to provide basic services to its population at the end of the war. International force of will dictated the terms of peace for Bosnia and Herzegovina. The peace-building processes also created international involvement in the reconstruction and rebuilding of Bosnia and Herzegovina. This process created an externally enforced stability rather than an internally based structure that provided order. For a state to be labeled both democratic and sovereign in its own right that state must have self-rule (Belloni 2007, 179). The shadow of Western colonialism lingered in Bosnia and Herzegovina after the war, and Bosnia and Herzegovina was slow to take the reins of governance from the international community. The experience of Bosnia and Herzegovina after the war was one of alternative modes of power-sharing (or transitional rule) that proved effective for governing a transitional state. One of these power-sharing models was the introduction of appointed foreign nationals to control domestic governmental structures rather than rule by decree (Belloni 2007, 181). If governance was to be viewed as a pyramid, almost all of the structure was controlled by Bosnia and Herzegovina nationals, with the international community’s representative maintaining oversight and control from the top of the pyramid.

This international involvement withered the development of governmental growth in key parts of civil society. While external forces were focused on humanitarian needs and the reconstruction of basic services, the attention paid to socio-economic development was minimal (Belloni 2007, 101). The import of the international aid industry removed the need for local governance and public works. Not only was the unskilled labor market challenged, but the few remaining professional workers took well-
paid jobs in international NGOs in areas often outside their dedicated skill set (Belloni 2007, 101). This created a difficult situation for the local economy to flourish. An additional challenge to rebuilding the economy was that of the three ethnic factions within Bosnia and Herzegovina. International aid used these three ruling structures as ways to funnel aid to their people. This led not only to the corruption and mismanagement of funds, but the influx of international aid also gave the three factions additional power, authority, and legitimacy (Belloni 2007, 101).

The direct flow of money or aid management by international organizations was not the only challenge Bosnia and Herzegovina faced in gaining control over the provision of basic services. Private contracts were also awarded by external actors, such as the United States, for work in Bosnia and Herzegovina. For example, under the USAID Bosnia Municipal Infrastructure and Services Program awarded a USD$165 million dollar contract to create emergency shelters and infrastructures in Bosnia and Herzegovina (Schriener and Rubin 1996). Rather than this money going to local businesses or contractors, the firms in question were all United States private contractors (one of which being Brown & Root.) The lead contractor, Parsons’, was clear in its intent to hire local labor to the tune of 400,000 employees. At a time when employment hovered around 40%, such an influx of jobs is significant to the local economy (Schriener and Rubin 1996). The focus of external aid remained focused on infrastructure and rebuilding the physical aspects of the country as the priority, rather than finding employment and a civil society for the demilitarized soldiers (Belloni 2007, 100). Yet this still maintains a colonial feel as the jobs remain in control of Western companies, funded by external aid, and working through a top-down approach that empowers the
ethnic entities. Additionally, even here, the focus maintains a military feel. The Infrastructure and Services contract accounts for things like removing ordinance and other military challenges (Schriener and Rubin 1996).

The state’s problems providing basic services were founded on more than external control. The separation of Bosnia and Herzegovina created a situation where the factions of the Bosnia and Herzegovina government strove to empower their own ruling entity inside Bosnia and Herzegovina. The United Nations found that the Bosnia and Herzegovina government was both exaggerating and exasperating the suffering of the population in order to gain additional funding and sympathy. A notable example of this phenomenon was when the government actively derailed progress on development to restore additional fresh drinking water to the massively damaged city of Sarajevo (Burg and Shoup 1999, 161). This internal derailment of aid and funds is particularly problematic when considering just how much damage civil war did to Bosnia and Herzegovina. It left transportation infrastructure destroyed with both the airport and rail systems completely offline, destroyed at least a quarter of a million homes, made water extremely scarce, and left cities with only a few hours of power a day (Schriener and Rubin 1996). In 1995 the United States CIA reported that over half the pre-war population of Bosnia and Herzegovina had been displaced in some manner. Approximately a million people had fled the country, and even more than that had been internally displaced (Burg and Shoup 1999, 171). Between this displacement, and internal corruption/desire for sympathy, the governments of Bosnia and Herzegovina were ineffective at building basic services. External actors were able to force reconstruction, but not civil society.
The prevalent problem in Bosnia and Herzegovina was the lack of re-assimilation of the military into civilian life. This was pressing in Bosnia and Herzegovina because the war was so inclusive. The line between civilian and soldier had blurred. There were not only numerous reports of external actors such as mercenaries and private contractors active in Bosnia and Herzegovina, but paramilitary forces flourished. These small, hometown forces provided difficulties for all three sides of the conflict both during the war and in reconstruction. The Serbian forces were supported by paramilitaries who ethnically cleansed multiple towns in the Drina River Valley area. The Serbian government and the JNA was reported to have closer control over their paramilitaries than either the Muslim or the Croatian contingent, as the government gave direct orders that these paramilitaries were free to pillage the towns they were “liberating” (Toal and Dahlman 2011, 113). This sort of cruelty and violence by self-motivated civilians was witnessed by the United Nations refugee office as a representative received multiple credible reports of “paramilitary thugs [going] door-to-door, checking identification and detaining, raping, killing, and robbing Muslims” (Toal and Dahlman 2011, 115).” That same UNHRC employee was detained as he traveled through Zvornik (a town in the Drina River Valley area) and was able to observe a great deal if collaboration between the JNA and the paramilitary forces in the area (Toal and Dahlman 2011, 115). It is perhaps then unsurprising that the Serbian entity in Bosnia and Herzegovina was best able to absorb their civilians who had become paramilitaries. As the war came to a close,

---

41 In this case I am defining mercenary as a non-national soldier who fights for a state-like party for compensation normally above what national soldiers would receive, private contractors are individuals (national or otherwise) who are employed by a firm that is contracted by a state for a wide variety of tasks which may or may not include exposure to violence, and paramilitaries as national armed military groups outside of the governments control. For a detailed summary of these definitions please see chapter 2.
these paramilitaries were simply absorbed into the army of the Republika Srpska (Toal and Dahlman 2011, 117).

The Croatian paramilitary forces were similarly absorbed by the HVO (the Croatian national army in Bosnia and Herzegovina.) These self-organized forces, primarily the Croatian Defense Force, were described as “unpredictable and unruly” but proved useful in warfare against the Serbs. Yet in order to maintain command and control, the Croatian army absorbed many of its paramilitary supporters (Shrader 2003, 46). The Bosnian private forces were not absorbed after the war and were specifically required to leave Bosnia and Herzegovina per the terms of the Dayton Agreement. The President of Bosnia and Herzegovina during the war, Alija Izetbegovic, openly accepted aid from Muslim fighters from throughout Europe (Shrader 2003, 51). While the mujahedeen worked closely with the ABIH III Corps (the Bosnia national forces) the ITCY found that these foreign fighters were not directly under the government’s control. After the end of the war only a few of these foreign nationals attempted to stay in Bosnia and Herzegovina and faced difficulties in doing so until only a very few remained.

5.3 The Actions of the Private Firm

5.3.1 Does the PSC build institutions?

The Train and Equip Program in Bosnia and Herzegovina (also known as the Military Stabilization Program) were very similar to the Train and Equip Program in Croatia. This is logical due to the fact both programs were drafted out of the Dayton Accords. However, unlike in Croatia, the Train and Equip Program in Bosnia and Herzegovina was specifically contracted to teach military skills to the Muslim-Croat Federation and help them become “a self-sufficient and fully operable force capable of
providing security for the Federation and stability for the region by attaining minimum levels of combat effectiveness and readiness (Shearer 1998, 60).” The Program improved the Bosnian fighting ability and provided them with Western military hardware including tanks, helicopters, heavy artillery, guns and ammunition. The Train and Equip program in Bosnia and Herzegovina focused on modernization of the armed forces to a Western standard. This meant creating a stronger officer corps and creating coordination above the company level (Wilkinson, Bosnia's Army of Strange Bedfellows 1997) (Cilliers and Douglas 1999). This $400 million dollar program also operated under different funding that the Croatian Train and Equip program; while the United States paid for part of the training, a majority of the funds came from a coalition of Islamic countries (Wilkinson, Bosnia's Army of Strange Bedfellows 1997). The modernization of military equipment also came from both the United States and Middle Eastern countries (Discord Discouraged Donors 1998).

The Bosnia and Herzegovina Federation Army Commander, Rasim Delic, claimed that after the fourth year of working with MPRI most of the goals of the Train and Equip Program had been achieved. He noted that they were still working at training commanders at all levels, but importantly that Bosnia and Herzegovina needed to ensure that nationals were capable of replacing MPRI: “The focus is now on strictly defining the system of management and command, which means training commands at all levels and installing MPRI representatives in all those places. We must also train some of our personnel to take over certain training centers, so we can continue this process on our own. The training of air-force personnel, which has already started, should be added to this (Vecernje Novine 1999).”
The idea behind this training and modernization of the military is to provide stabilization for the region and create a balance of power that will lead to an even sharing of power. If MPRI can increase the Muslim-Croat Federation’s armed might by reducing its mechanized deficits through upgrading equipment and creating a more adaptable, modern force, then perhaps Serbian aggression could be checked (Wilkinson, Bosnia's Army of Strange Bedfellows 1997). However, criticism from Europe focused on concerns that MPRI could actually be preparing the Muslim-Croat forces to regain lost ground and restart future conflicts (Smucker 1997). Robert Mandel 2001 article succinctly summarized these conflicting points of view: “Proponents of this MPRI intervention [the train and equip program] argue that the sooner Bosnia can defending itself, the sooner international troops can leave; but skeptics respond that increasing Bosnian power may ultimately lead to increased violence in the region, offensive Bosnian moves to recapture lost territory, and a breakdown of the ceasefire agreed to under the 1995 Dayton Accords (Mandel 2001, 142).” On all sides the war in Bosnia and Herzegovina was characterized by soldiers described as having a “lack of discipline, poor command and control, and, in the case of the Serbs, reluctance to take causalities (Burg and Shoup 1999, 137).” If these things were overcome, and better military hardware provided, then the outcome of future conflicts between these entities could be uncertain.

MPRI’s training is focusing on more than just military operations and is including instruction in morality. One of MPRI’s chief instructors, J.R. Kendall, structured his classes to address the challenges that a modern military faces in obeying international law. This creates instruction with a focus on common sense, morality, and the understanding of what war crimes are and how to avoid committing them (Smucker
1997). In a 1997 Christian Science Monitor article, Philip Smucker reports that MPRI teaches aspects of the Geneva Convention, including how to treat wounded and sick armed forces, the respectful treatment of prisoners of war, the protection of civilians, and the restrictions on collateral damage. In a summer 1999 interview with a former MPRI employee, Peter Singer reported a different viewpoint on the teaching of morality: MPRI employees report that their teaching on the military code of conduct and the laws of land warfare in the Bosnian program was kept minimal, as the clients/students were uncomfortable with the subject (Singer, Corporate Warriors, The Rise of the Privatized Military Industry 2004, 218).” A senior Bosnian Muslim commander at the Pazaric training school, Major Sead Rekic, spoke highly of the morality training the forces were receiving and was glad for it: “Of course we want to have an army which will respect all human rights in maybe some future war (Smucker 1997).”

The United States Institute of Peace found MPRI’s progress in training the Federation troops to be slow and not as robust has had been expected. They report that the “Train and Equip has not yet established for the Federation a European-class army or one that is capable of providing security in this precarious area of the world. The Federation military’s primary weaknesses include: (1) a weak officer corps, (2) a tenuous logistics support structure, and (3) little expertise in strategic and operational planning (United States Government Accountability Office 2007).” Further, the training of the Federation troops by MPRI falls under criticism since it only provided training for two of the entities. This lack of three-party training has been accused of “undermining integration efforts and polarizing the state military (Krahmann, Transitional States in Search of Support: Private Military Companies and Security Sector Reform 2007, 100).”
In both cases, progress, no matter how imperfect, is being made. The Muslim-Croat Federation troops became integrated with each other, and the United States Institute of Peace reports that the interactions amount the military leaders has fundamentally improved (United States Government Accountability Office 2007).

The situation surrounding Brown & Root is different, as this firm was primarily focused on supporting American troops in Bosnia and Herzegovina. As primarily a support firm for the military, this sort of work rarely has the ability to affect infrastructure support of the host nation. If the army was not contracting the work out to this PSC, it is likely this work would be taken care of in-house by the army itself. This form of contracting is not removing jobs from Bosnia and Herzegovina nor hindering economic recovery. With that said, the United States soldiers in Bosnia and Herzegovina pointed out the extreme eagerness of Brown & Root to assist with absolutely anything they could think of. A story was told to illustrate this point: “You mention, 'Gee, it'd be nice to keep out of the mud going up to the sandwich shop,' and next thing you know they've [Brown &Root] built a whole wooden walkway with railings and indirect lighting, and then they've gone in and landscaped the damned thing (Lancewiesche 2001).” Outside of conversations regarding over-work or contracting costs, Brown & Root received high praises for their work in Bosnia and Herzegovina. Colonel Bostick, commander of the Engineer Brigade, 1st Armored Division, United States Army Europe and Seventh Army praised Brown & Root, saying “Brown & Root personnel integrated their work with military construction efforts extraordinarily well. Military and Brown & Root planners, designers, project managers and builders worked together to make complex operations run smoothly and safely (Bostick 1999).”
DynCorp’s work in Bosnia and Herzegovina was diverse and had two main focus points. The first was the training of the police through the UN mission in Bosnia and Herzegovina and the second was based on mechanical support. The training and improvement of the police force increased capacity. However, as will be discussed in the next section, DynCorp’s human rights violations provided challenges on multiple levels for Bosnia and Herzegovina. Their indulgence in human trafficking weakened human rights norms and further undermined the integrity of police work in the region. When the US Army Criminal Investigation Command began their investigation, the focus of the boots on the ground was not on human rights or damages to the country, but rather how these crimes and subsequent follow would affect DynCorp’s ability to fix airplanes (O'Meara 2002).

5.3.2 Was the PSC Subject to the Rule of Law?

While Brown & Root and MPRI’s contracts in Bosnia were undertaken with little fanfare, Bosnia and Herzegovina has the dubious honor of being host to DynCorp while their contractors were caught trafficking underage women. Several contractors who were in charge of training the local police were investigated for purchasing women’s passports from Serbian mafia (Capps 2002). The situation had gotten so out of hand that the supervisor of one of the DynCorp units had distributed a video of him raping two women who were clearly objecting and saying no (Bolkovac and Lynn 2011, 190). Some of these women were as young as twelve years old (Singer, Corporate Warriors, The Rise of the Privatized Military Industry 2004, 222). The reaction of the company to these crimes was to send the traffickers home and fire the individuals who reported the trafficking.
This is especially problematic as DynCorp’s contract was to supply experienced police officers to fulfill the United States personnel aspect of the United Nations International Police Task Force which was tasked with monitoring, advising, and training law enforcement personnel in Bosnia and Herzegovina. These contracted forces operated under different standard operating procedures as the United States national troops. DynCorp’s people were allowed to live off base and mingle freely with the community (Directorate for Investigations of Senior Officials 2003, 2). Contractors, members of the IPTF, were breaking the very laws they were attempting to uphold.

Not only were women raped and trafficked by United States citizens, there was no legal repercussion or attempt at justice. These contracting forces were supposed to be assisting with training and overseeing improvements to Bosnia and Herzegovina’s justice system. The United States Justice Department ruled that the United States contractors serving on this United Nations mission were outside of the reach of United States law (United States Insitute of Peace 2004). Not only were these individuals able to avoid prosecution, but since the contractors did not originate from a national police force, and these individuals did not return to a system that would hold them accountable for their actions overseas (Human Rights Watch 2002, 48). Individual police departments did not receive notification that such crimes had been committed.

The United States Department of Defense Office of the Inspector General found that the trafficking and forced prostitution in Bosnia and Herzegovina was greatly influenced by the presence of international peacekeepers. A former United Nations Human Rights Investigator in Bosnia testified: “U.N. peacekeepers’ participation in the sex slave trade in Bosnia is a significant, widespread problem, resulting from a
combination of factors associated with the U.N. peacekeeping operation and conditions in general in the Balkans. More precisely, the sex slave trade in Bosnia largely exists because of the U.N. peacekeeping operation. Without the peacekeeping presence, there would have been little or no forced prostitution in Bosnia. (Directorate for Investigations of Senior Officials 2003, 8).”

The Bosnia and Herzegovina police who were not compliant or participating with the peacekeepers trafficking became frustrated. The Chief of Police of Zivinice informed the Human Rights Watch how helpless the Bosnia and Herzegovina police were to prosecute the international community for the crimes committed within Bosnia and Herzegovina. Annex IA of the Dayton Accords protects the international community from being prosecuted under Bosnia and Herzegovina’s laws, while the United States laws lacked the vicissitude to be applied to these crimes. No matter that the trafficked woman were willing to discuss the situation, the contractors jeeps were clearly parked at the scene of the crime, or even that the rape of these women was caught on film, the Chief of Police could do nothing (Human Rights Watch 2002, 64).

There have only been two lawsuits against DynCorp regarding this trafficking of women, both of which were brought forward under the Racketeer Influenced and Corrupt Organizations Act. One case took place in the United States and was settled out of court for an undisclosed sum, while the other was brought forward under British law and was successful (and is thus now a matter of public record.) Yet none of the contractors themselves have faced prosecution. In one case where there was trafficking taking place and a reprimand was issued it was for the unauthorized purchase of a gun, rather than the trafficking, forced prostitution, or rape of a woman (Mendelson 2005, 28). There appears
to have been little to no reaction from the United States. When the Human Rights Watch pushed to receive information on these cases they received a letter from the United States Department of Justice Criminal Division which stated, “We have conducted a search of the appropriate indices to Criminal Division records and have located no records responsive to your request (Human Rights Watch 2002, 67).” DynCorp, however, learned from these lawsuits and moved their base of operations to Dubai, ensuring protection from any future lawsuits.

5.3.3 Was the PSC viewed as legitimate by the Population?

Much as in Croatia, the PSCs active in Bosnia and Herzegovina were viewed as legitimate as they were seen as members of the United States or United Nations forces. In the case of DynCorp this perception was correct; while members of a private firm, DynCorp’s employees were just as involved/important to the mission as the other nationally-controlled police who were donated to assist with the police training. The perception of PSCs was spared from the mistakes of DynCorp as the trafficking of woman was seen as a problem pandemic to the United Nations rather than a private firm. Sarajevo’s largest newspaper, *Oslobodenje*, covered the trafficking story with the headline “The UN Mission in Bosnia Comes Under Fire for Allegedly Trying to Cover up a Prostitution Scandal (Bolkovac and Lynn 2011, 176).”

One of the things most desperately needed by the Bosnia and Herzegovina population after the war was jobs. The actions by the contractors in Bosnia and Herzegovina provided opportunities for local employment when goods and labor were produced in theater. Even though the contractors themselves were foreign nationals, they
employed subcontractors and purchased basic equipment that helped inspire economic development on a local, grass-root level (United States Government Accountability Office 2007). Although there was a fear that the famed Iron Triangle of Yugoslavia would remerge through the creation of a low-level military industrial complex in Bosnia and Herzegovina, this did not affect that the citizenry themselves needed jobs (United States Government Accountability Office 2007). Importantly the subcontracting work and contractor support required an increase in skill level of the locals to produce the goods required and to re-introduce an industrial way of live to the war-torn country. The argument benefiting PSCs, and the locals’ reaction to PSCs, is based around the rejuvenation of infrastructure and employment (Palmer 1991).

The private firms were also able to win the loyalty of the locals by providing employment and fair working conditions. While this was mainly suggested as a force-protection measure, it had the benefit of creating a positive, rejuvenating element to civil society (Anderson and Hadjis 1997). National ethnicity was a delicate situation in employment situations and PSCs were aware that it would be poor judgment to deploy workers of one ethnicity into territory inhabited by another ethnic group. Yet as work progressed, subcontractors of different ethnicities proved they were able to work together (Palmer 1991). While MPRI was clear that they are not pushing for such ethnic reconciliation and that such matters were in the providence of the entities military leadership, the different ethnic groups still were working together without complaint. “You give them something to think about other than their differences,” said J. R. Kendall, a former United States Army command sergeant major from Jefferson City, Mo., who was supervising M-16 drills at the Federation Military School in Pazaric, about 15 miles
west of Sarajevo. "Sweating together--that's a bonding tool (Wilkinson, Bosnia's Army of Strange Bedfellows 1997)."

Peter Singer proposed that national militaries are more receptive to PSC assistance after being defeated in war or otherwise saw the need to change (Singer, Corporate Warriors, The Rise of the Privatized Military Industry 2004, 202). It is perhaps for this reason, along with the need for jobs and the overall push of international involvement, that PSCs were welcomed in Bosnia and Herzegovina. The head of the Bosnia and Herzegovina Federation Army, Rasim Delic, spoke highly of the quality and scope of instruction the PSCs brought to his forces (Vecernje Novine 1999).

5.4 Conclusion

PSCs successfully assisted with the stabilization and recreation of state capacity in Bosnia and Herzegovina. The three examples in this case, MPRI, DynCorp, and Brown & Root, show clear assistance to strengthening the state. One firm was employed to strengthen and re-integrate the military and bring them up to Western standards. Another supplied the United States arm of the United Nations police training program. The third firm studied helped repair infrastructure and provided jobs to local workers. International law has been enforced in Bosnia and Herzegovina through a variety of outside institutions. PSCs are only one vehicle of international influence and their presence should not be overstated. In the case of Bosnia and Herzegovina PSCs were not a hindrance to the slow rebuilding of state capacity rather than that they were a benefit.

PSC in Bosnia and Herzegovina created setbacks within the state, and the actions of these firms exposed major flaws in the international justice system. Women were
known to be raped and trafficked into forced prostitution by foreign nationals yet faced no repercussions. The ITCY has successfully tried and detained multiple Bosnia and Herzegovina nationals for war-crimes, yet these outside contractors have proven to be outside of the state justice system. It would be pleasing to say that the world learned from these lapses in the legal system, but directly after the successful lawsuit against DynCorp by one of the whistleblowers in the sex-trafficking case, DynCorp was awarded a $22 million contract to train the Iraq police force (Bolkovac and Lynn 2011, 219). If these sex crimes were to occur again, it is unlikely the current justice system would be able to prosecute them. (An example of the continued failure of the justice system will be discussed in the Iraq case with CACI and the Abu Ghraib prisons.)

Bosnia and Herzegovina’s desire to work with the United States private firms may come from the carrot of membership to NATO or the European Union, or it may be based on Singer’s theory that national militaries are more receptive to private assistance after a major shock or defeat in war. After all, the reconstruction of Bosnia and Herzegovina took place with a great deal of external guidance and manufactured statecraft. During the rebirth of Bosnia and Herzegovina’s state capacity the entities were completely governed by the High Representative, who even had the ability to remove elected officials. This shared sovereignty may be the cause of their receptiveness to private firms.

There is no easy path to international assistance for reconstruction after war. The juxtaposition of international involvement and self-governance and of aid being freely given verses the growth and rebuilding of the local economy presents large challenges. In the case of Bosnia and Herzegovina, private force was able to be used to assist the
growth of state capacity. It is not that PSCs were a boon to build the strength of the state, or acted in a way the state itself could not, but the firms were still useful and did not hinder the progress of reconstruction.
6.1 Introductory Remarks

Afghanistan is yet another example of the United States involvement in attempting to direct a state’s transition to democracy. From Croatia to Bosnia and now Afghanistan this involvement follows the path which once brought contraband from the Golden Crescent into Europe (Morrison 2010, 167). This attempt at Westernization has been undertaken initially through the use of followed by intensive reconstruction, both with assistance from private contractors. The reconstruction of Afghanistan was exceptionally challenging due to the weakness of the state for the country’s entire existence. This has led the area to traditionally have a strong tribal society and central leadership that has rarely been effective outside the capital region (Saikal 2010, 239). In 2002 the United States-led Coalition forces overthrew the Taliban government, and replaced by a presidential republic with a three branched governmental system and bicameral parliament. This use of force was accomplished by a NATO led-force as well as a United States led-force. Both of these forces were supplemented with contractors. This chapter explores the reconstruction process in Afghanistan and the impact of contractor involvement.
6.1.2 Brief Overview

The Westphalian system has yet to be successful in Afghanistan. Since the formation of a state structure in the early eighteenth century Afghanistan has faced a dichotomy between its tribal and ethnic peoples and its ruling class. This ruling class was often dependant on outside powers for financial, military, and political support. Examples of this outside involvement first appear with the British at the turn of the 19th century, then the Soviet Union in the Cold War, and the United States’ invasion in 2001. It was this external influence, especially during the Cold War, which allowed radical Islam to gain a stronghold as an organizational grouping focused on fighting off the intruding states. Afghanis organized a successful resistance against the Soviet Union that was based around the ideals of making the country ungovernable. This tactic was overly successful. Once the USSR was driven out, the Afghans were unable to govern their own fractured land (Barfield 2010, 6, 13). The situation was further complicated by the continued involvement of the United States and the USSR. While the USSR withdrew from Afghanistan in 1989, both the United States and USSR continued to funnel money into the country. This covert support allowed the stockpiling of arms and ammunitions within the country (Barfield 2010, 240).

It was into this unstable situation that United States and NATO forces attempted to rebuild a state. Afghanistan has not had a history of stability, nor of democratic leadership. Regime changes had oft come through force. Since 1901 every Afghan ruler was violently murdered or driven into exile (Barfield 2010, 12, 166). The lessons of Yugoslavia led international actors to fear that Afghanistan would fracture along ethnic lines. However, the past century in Afghanistan should have reassured the world that
Afghanistan had a reasonable chance of staying unified regardless of ethnic conflict. Despite the state’s central power structure collapsing multiple times, the individual ethnicities did not take the opportunity to declare independence (Barfield 2010, 252). In fact often the leadership was shifting among individuals in the same ethnic group, if not the same family.

Afghanistan has followed a pattern of culture development common in much of the world where focus is on the primacy of the group as a whole (rather than the Western idea of the primacy of the individual.) The concern of the body politic is to better community as a whole, through a focus on tribal and ethnic groups, and this common goal creates a societal bond. This idea of group feeling, or asabiya, provides the basis of the society’s formation (Barfield 2010, 17, 58). Kabul shifted to a more Western model of individualism but the idea of the community remained extremely strong in rural communities. On first glance the assumption could be made that individual ethnicities should have fractured off and made their own claims for statehood, much like what was seen in Yugoslavia only a decade before. Yet historians postulate that Afghans, with their vast experience of outside conquerors and international meddlers, realized that a unitary state was more powerful that a small, fractured land (Barfield 2010, 8). In Afghanistan: A Cultural and Political History Barfield correctly notes that it was not the unity of the Afghan people who failed. It was not civil war that tore the country apart. It was not the nation that failed. It was the state (Barfield 2010, 277).

The Afghan state was a disaster. In 2006 the life expectancy in Afghanistan was just 44 years and a fifth of the children died before reaching the age of five. Only a fourth of the population has access to clean drinking water and proper sanitation. Each
month roughly 100 people were injured from one of the 57 million landmines or other unexploded ordinance that scatter the countryside. Roads were strategic targets and were thus destroyed causing remote villages to be virtually inaccessible even in the best weather. These villages are then completely isolated once the winter snows begin. Roughly forty-three percent of men can read, but the literacy rate for females is simply laughable at fourteen percent (Olson 2006). According to the UN, this is the largest disparity in male/female literacy rates in the world (UNESCO Institute for Statistics n.d.). These numbers come after five years of United States involvement and are an improvement over the Taliban régime. This uptick in capacity caused 3.5 million refugees to return to their homeland and resettle. Some of these have been able to return to their communities from which they were displaced but almost half ended in the capital city of Kabul where they had no support system and quickly fell into poverty (Olson 2006). The period encompassed by Afghan reconstruction was bleak.

The reconstruction of Afghanistan was an international commitment. In October of 2001 the United States, the United Kingdom, Australia, and the Afghan Northern Alliance began an assault on the Taliban government. The invasion was in direct response to the 9/11 bombing in the United States with a goal of removing the Taliban from power and disrupting Al Qaida’s ability to use Afghanistan as a staging area. The United States President, George W Bush, removed any distinction between “terrorists” and “governments who sponsor terrorists.” Subsequently the Afghanistan government became a target in the War on Terror and removed from power by the United States, the United Kingdom, Australia, and the Afghan Northern Alliance in start of a long term military operation called Operation Enduring Freedom. In December of 2001 the United
Nations Security Council established the International Security Assistance Force (ISAF) to secure the capital city and allow for the stable creation and implementation of an interim government. This force was made up of the NATO countries and 15 non-NATO countries (Emadi 2010, 211). In 2003 NATO jointly assumed control of this force and the United Nations authorized the expansion of the ISAF’s mission to include all of Afghanistan. It is important to note that while Operation Enduring Freedom operates in tandem with ISAF they are two separate military operations with two separate command structures.

Operation Enduring Freedom deployed with the key goals of abolishing terrorism, creating a stable system of governance that did not support or harbor terrorism, and rebuilding Afghanistan so it was economical secure and no longer conducive to being a breeding ground for warlordism, insurgency and terror (Emadi 2010, 241). In a report to the United States Congress, Congressional Research Service found that the key goals of Operation Enduring Freedom and the United States deployment in Afghanistan were to “(1) disrupt terrorist networks in Afghanistan and Pakistan to degrade their ability to launch international terrorist attacks; (2) promote a more capable, accountable, and effective government in Afghanistan; (3) develop self-reliant Afghan security forces; and (4) involve the international community to actively assist in addressing these objectives (Katzman, Afghanistan: Post-Taliban Governance, Security, and U.S. Policy 2011).”

As of 2012, the United States remained committed to this goal. For fiscal year 2011 the federal budget request was approximately 19 billion United States dollars. Yet, despite the United States rhetoric that the focus is on rebuilding, 70% of that monetary request – 14.2 billion - goes directly for training and equipping of military forces. Since
2002 the United States has poured almost 51.50 billion into Afghanistan. Over half of this money has overwhelmingly been directed towards security projects (Special Inspector General for Afghanistan Reconstruction 2010)

![Distribution of US Funds to Afghanistan, 2002 - 2010](image)

**Figure 6.1** Amount of money spent by US on Afghanistan from 2002 to 2010. Amounts are in billions. *(Special Inspector General for Afghanistan Reconstruction 2010)*

As the money flowed into the Afghan theater, the United States continued to turn to contractors to handle the construction, security, and logistical support of its bases in Afghanistan. Contractors were also employed to train and equip the Afghan police. As such, the debate on contractors continued both in the halls of the United States’ legislative branch and on the ground in Afghanistan. In 2010 a report from the United States House of Representatives stated that the United States fielded 90,000 troops and almost 110,000 contractors in Afghanistan. They further found that while the Department of Defense had become increasingly dependent on PSCs, the Pentagon does
not maintain suitable capacity to oversee these contracts or contractor actions (Subcommittee on National Security and Foreign Affairs of the Committee on Oversight and Government Reform 2010, 2). The reliance on contractors has only grown since the start of the mission in Afghanistan. In March of 2010 there were 30,000 more contractors employed by the Department of Defense than United States national troops. Out of the 110,000 contractors in Afghanistan 45% of them are reported as armed private security contractor personnel (Subcommittee on National Security and Foreign Affairs of the Committee on Oversight and Government Reform 2010, 149).

Another 2010 hearing, this time of the United States Senate’s Committee on Armed Services, found that money was being transferred between PSCs and warlords. Bribes were paid from contractors to PSCs for safe transport, guards were hired with questionable backgrounds, and the entrenched system of strongmen was strengthened. Further, the Committee’s investigation “revealed squandered resources and dangerous failures in contractor performance, including untrained guards, insufficient and unserviceable weapons, unmanned posts, and other shortcomings that directly affect the safety of U.S. Military personnel. (Committee on Armed Services 2010, 1).” Due to the rapid buildup and United States militaries focus on core competencies contractors were seen as necessary. Yet the problems foreshadowed in Croatia and Bosnia became highlighted in Afghanistan and Iraq.

Contractors were far from the only private agents in Afghanistan that could have affected reconstruction results. The presence of NGOs in Afghanistan is notable (as in the Bosnia case), but, different from Bosnia and Herzegovina or Croatia, the pre-existing presence of warlords and private militias were the norm in Afghanistan. The further
fractionalization of military power provided additional challenges in rebuilding the state. The presence of NGOs and PSCs was important as the international community has shown a preference for working through private agencies rather than the oft corrupt official government to assist in the reconstruction of Afghanistan. This has not only weakened the central government but led to a proliferation of private actors.

The growth of private agency is far from the only difference between these case studies. The amount of money spent per person by the international community varied greatly. In the first two years of the reconstruction only $60 per Afghan was given in assistance, a figure lower than almost any nation-building operation since World War II (Jones 2009, 121). As the mission progressed, the amount of aid given per person tripled. Still, in comparison to other nation-building exercises, the amount was subpar. A briefing paper by the NGO Global Humanitarian Assistance found that “at its peak, Afghanistan received US$172 per person, compared with Bosnia’s peak of US$369 and Iraq’s peak of US$315 (Poole 2011).” Dan Caldwell’s book, *Vortex of Conflict: US Policy Towards Afghanistan, Pakistan, and Iraq*, postulates how successful nation-building requires a large infusion of money and personnel. Not only did Bosnia gain significantly more aid per person than Afghanistan, it also received significantly more boots on the ground. There was simply not the manpower to provide such coverage to Afghanistan: “In Bosnia there was one peacekeeper for every fifty civilians. For that number to be achieved in Afghanistan more than half a million peacekeepers would need to be deployed (Caldwell, *Vortex of Conflict: US Policy Towards Afghanistan, Pakistan, and Iraq* 2011, 172).”
A need for a large infusion of money and personnel is unsurprising considering the amount of damage that war-torn states suffered. Not only does the country’s destroyed infrastructure need to be rebuild, but militaries need to be retrained, police need to be created, equipment purchased, and civil society involved with the new system (Jones 2009, 121). These challenges are further complicated because humanitarian involvement (be it aid workers, NGOs, or civilian contractors) have become viewed as soft and easy targets for the insurgency. A massive effort was staged to rebuild Afghanistan, but there was also an effort to oppose a restructuring to a traditional way of life. This was especially seen in the education system; from 2002 to 2006 121 rebuilt schools were burned down (Olson 2006). It is not simply a matter of using private actors or funding to impose the ideas of the state, critical functions must be reconstructed in a way to be indigenous to the local structure and accepted by the population as a whole.

The Afghan government has traditionally been weak against the backdrop of a strong tribal society. The state was unable to provide services to its population causing people to find alternate forms of security and governance. This was especially true in rural areas (Jones 2009, xxix). United States strategy focused on providing key services (such as roads, education, security, and medical care) to turn the populace from warlords and terrorist cells to their own state system. The individuals who replaced the government at a tribal or regional level gained increased prominence and rose to power during the conflict with the USSR. International actors (i.e.: the United States) provided monetary support and weaponry to aid in the fight against a mutual enemy. This support strengthened these local actors enough to replace the traditional state structure (Saikal
2010, 243). It is against this fractured background that the multinational Coalition in Afghanistan undertook their mission to bring peace and reconstruct a failed state.

6.1.3 Companies in Question

The conflict in Afghanistan had an extremely high level of contractor involvement. While there are several larger firms not based originally in the United States, such as the United Kingdom’s Amour Group and Aegis, most of the firms contracted by the United States to work in Afghanistan have roots in American soil. As covered previously in DynCorp’s sex scandal in Bosnia, some of these firms have chosen to move their headquarters off-shore for legal purposes. Needless, as this study focuses on the United States projection of power through contractors, the firms contracted most often by the United States as primary contractors (not subcontractors) will remain the focus of investigation. In Afghanistan the prominent firms were BearingPoint, DynCorp, MPRI, Fluor, Blackwater and its subsidiaries, Louis Berger International and Development Alternatives Inc. This is far from a comprehensive list. Parsons, for example, was also heavily used by the United States in Iraq and maintains large contracts in Afghanistan as well. In addition, many contractors, such as Louis Berger International and Development Alternatives Inc, do not fall into the scope of this study despite being private actors. They focus purely on reconstruction and engineering rather than security or military logistics.

BearingPoint finds its roots in one of the big four professional service network companies, KPMG. In January of 2000, KMPG created a separate firm named KMPG Consulting which would then change its name to BearingPoint. BearingPoint worked on economic restructuring in Afghanistan and Iraq before filing for bankruptcy in 2009.
DynCorp, MPRI and KBR were previously covered and remain heavyweights in the defense contracting world, with Fluor joining them with their inclusion on the LOGCAP IV contract. Fluor has been a United States based defense company since 1912 and works on infrastructure in the United States (such as the Alaska pipeline or the current reconstruction of the San Francisco Bay Bridge) as well as abroad in a wide range of countries including (but not limited to) Russia, Australia, China, Germany, Botswana, Canada, Iraq, Abu Dhabi, and Qatar (Fluor 2010). DynCorp and Fluor were added to the LOGCAP IV task-order while LOGCAP III was exclusively the realm of KBR. These three contractors having exclusive access to the LOGCAP IV task-orders created concern about non-competitive contracts. In a 2011 report to Congress, the Commission on Wartime Contracting in Iraq and Afghanistan reported on such fears:

The LOGCAP IV task-order competition plan had a number of aspects that created “mini-monopolies.” Each geographically awarded task order (Fluor in the northern Afghanistan provinces, DynCorp in the southern provinces) consisted of an initial year and four option years, a long period without a new competition. This meant that all new work in the two regions of Afghanistan went to single sources without further competition. The Army has in effect awarded two single-source, long-term task orders for Afghanistan. (Commission on Wartime Contracting in Iraq and Afghanistan 2011)

DynCorp’s activities in Afghanistan mirror their previous work in the Balkans with further expansion into infrastructure and base development. As previously covered in chapter 5, the United States lacks a deployable police training unit. In order to train the Afghan police, the State Department’s Bureau of International Narcotics and Law Enforcement (INL) hired DynCorp to be their primary contractor. The contract was worth approximately $2.3 billion dollars and DynCorp received more than 80% of that
award (Committee on Foreign Relations 2011). The company was tasked with building a base for the national army, and to build a police complex (Emadi 2010, 233). LOGCAP IV directed DynCorp with the construction of new bases in Afghanistan, as well as the operations and maintenance support of existing bases. This contract covered such operation as “facilities management, electrical power, water, sewage and waste management, laundry operations, food services and transportation motor pool operations” as well as other tasks that may arise (Women's Health Weekly 2009).

The most notorious of the PSCs, Blackwater, was also extremely active in Afghanistan. While most of the firm’s media fame came from its work in Iraq, Blackwater was hired to support the State Department and CIA in Afghanistan. Jeremy Scahill, author of Blackwater: The Rise of The World’s Most Powerful Mercenary Army, reported that in June 2008 alone the Obama “administration has awarded nearly a quarter billion dollars in new US government contracts to Blackwater to work for the State Department and CIA in Afghanistan and other hot zones globally (Scahill, Blackwater's New Sugar Daddy: The Obama Administration 2010).” The well-known criticisms of Blackwater are present in Afghanistan which gained the attention of the United States legislative branch. In particular, the United States Senate’s Committee on Armed Services has been overtly displeased with the lack of transparency in Blackwater’s operations. This obfuscation was especially notable when a Raytheon subcontracted with a firm known as Paravant. Raytheon claimed it did not know that Paravant was actually Blackwater, while the Committee finds such statements skeptical:

At the time Paravant was awarded its one and only subcontract, it had no employees. In Afghanistan, the company operated under Blackwater’s license and shared a bank account with Blackwater. Former Paravant Vice
President Brian McCracken reported to Blackwater personnel. According to Mr. McCracken, Raytheon paid Blackwater for services rendered by Paravant and Paravant relied on Blackwater for its billing. Paravant and Blackwater were “one and the same,” according to Mr. McCracken, and he added, Paravant was only created to avoid the “baggage” associated with the Blackwater name (Committee on Armed Services 2010).

Fred Roitz, Blackwater's top contract compliance officer, answered the Senator’s request to know what Blackwater, now formally known as Xe, was known as in Afghanistan. Mr. Roitz provided other names the company operates under: “the corporate structure of what was formerly EP Investments, also known as Blackwater Worldwide, underwent a rebranding that the U.S. Training Center provides significant training services and security services to the U.S. Government. We have many names from the different components. We have, for example, Aviation Worldwide Services, which provides aviation services to Transportation Command. We have Presidential Airways. We have Greystone. (Committee on Armed Services 2010).” In December of 2011 Blackwater again rebranded and changed its name from Xe to Academi. For the ease of readability, this study will consistently refer to the firm as Blackwater regardless of the firm’s branding at the time of the event being covered. This idea of naming became important when Blackwater is banned from doing business in Afghanistan in October of 2010. Paravant had no such ban.

It is important to note that many of the contractors in Afghanistan did not carry arms, or are not even involved in security. The contractors who do carry arms are (theoretically) regulated and have (theoretically) gone through an approval process for their weaponry. The process of regulation was handled by both the Department of Defense and the Afghan Ministry of Interior. The Department of Defense insisted that all of its
contractors are legally required to follow Afghan law, and thus must apply for approval with both sets of governments. The Afghani government showed a preference for nationally-based firms; foreign companies licensing cost was $120,000 while local companies were charged half of that (Commission on Wartime Contracting in Iraq and Afghanistan 2009). In order to receive approval from the Department of Defense to carry weaponry the PSC needed to provide a request from the military commander for its contractor to be armed, prove the contractor meets the weapons qualifications, understands the law of war, is trained in the proper of the use of force, and an acknowledgement that the contractor is capable of being prosecuted by the host-nation as well as being subject to civil liability (Commission on Wartime Contracting in Iraq and Afghanistan 2009).

6.2 The Actions of States

The United States and its allies focused on rebuilding the capacity of war-torn Afghanistan. Between 2001 and 2011 the United States State Department and USAID spent roughly $1.25 billion a year on capacity building efforts. In fact, a Majority Staff Report to the United States Senate found that “the United States spends more on foreign aid in Afghanistan than in any other country, including Iraq (Committee on Foreign Relations 2011).” Money poured into the country, but there were questions on the oversight of funds, how such funds were being allocated, and whom the money was supporting. In this section we will examine questions such as if the Afghan government controls the incoming support money? Should private experts be used? Is the country improving with the influx of aid? Are institutions and state being rebuilt rather than
simply being replaced by private actors? Below such questions are addressed, and the effect of private force on the host state explored.

6.2.1 Was the PSCs Intentionally Deployed?

From the beginning of the United States invasion the use of non-traditional force was prevalent in Afghanistan. The initial deployment of armed forces into Afghanistan was rapid. In the first phase of the War in Afghanistan the United States decided to maintain a “light footprint,” meaning that only 9,000 troops and 1,200 coalition troops were in theater within the first year. The focus of the initial United States mission in Afghanistan was simple: destroy al Qaeda and the Taliban (Caldwell, Vortex of Conflict: US Policy Towards Afghanistan, Pakistan, and Iraq 2011, 173). The United States had no plan for what would happen next, no preparation to build state capacity, or other reconstruction activities. The United States decided time was of the essence and al Qaeda must be taken down immediately. Because of this quick deployment the United States turned to non-state forces: local militias and private contractors. The United States provided money and equipment to the civilian insurgencies that would target al Qaeda operatives and/or aid United States forces (Jones 2009, 130).

There were many reasons that the United States turned to non-traditional forces and especially private force. Early in the conflict the United States attention was split between two theaters and resources were pledged to Iraq that was needed in Afghanistan. Washington’s allies were not as forthcoming with aid as the United States would have liked; they viewed Afghanistan as a short-term activity or a way to avoid pledging troops in Iraq (Saikal 2010, 253). Further, the American public needed to see progress in Afghanistan, and not witness a situation with a growing troop count and no successes.
Peter Marsden suggests this public pressure caused the Department of Defense to focus on public relations objectives and, as always, forced them to be aware of the backlash to soldier death being reported in the media (Marsden 2009, 120). Contractors provide an excellent way to provide boots on the ground without inflating troop count. USAID and the State Department became involved with the mission in Afghanistan shifted focus from invasion to reconstruction. Afghanistan was still extremely dangerous, and these non-military agencies needed to provide security for their personnel. The United States State Department maintains a very small security force – the Bureau of Diplomatic Security has fewer than 2000 agents – and was forced to turn to outside forces to provide personal protection (Commission on Wartime Contracting in Iraq and Afghanistan 2011).

Retired Army General and PSC CEO Barry McCaffery discussed the need to protect diplomatic and reconstruction personnel in testimony to the United States House of Representatives:

I think the other thing we ought to be realistic about is USAID is 3- or 4,000 people, not 15,000. They don’t have the U.S. Army Corps of Engineers’ capability to run large projects. I am still appalled that we are not in Afghanistan with an engineer two-star general, 500-person staff, and 3 or 4 U.S. Army engineer brigades hiring thousands of Afghans and mentoring and tutoring them. But I don’t believe that many of these civilian agencies in the short run or the medium term can operate in Afghanistan. That is one of the perils of the U.S. Armed Forces is we can do it. We [the armed forces] can do neighborhood councils, call-in radio shows, women’s rights groups, sanitation projects in downtown Kandahar (Oversight and Investigations Subcommittee 2009).

General McCaffery’s stance implied that the Department of Defense had boots on the ground to tackle a wide variety of issues, including ones that the Department of State would normally cover. The Department of Defense’s need for contractors in the
deployment in Afghanistan also came under scrutiny by Congress. Under Secretary of Defense for Policy Michèle Flournoy spoke frankly regarding the United States reliance on PSCs in testimony to the Senate:

We could not support the operations in Afghanistan without the use of contractors. We do not have the military force structure to meet the requirements of base operating support and other services. Contractors are a vital operational enabler, which allow our military forces to focus on other functions. The use of contractors provides us an instant, scalable capacity that can expand and contract with greater agility. Although the costs for contracted services to DOD are substantial, developing and maintaining a military structure to perform these same functions would be much more costly. (Committee on Armed Services 2010)

In addition, the United States Government Accountability Office found that contracting local citizens through PSC firms allowed for safe(r) transport “to remote job locations and complete work that security concerns prevent U.S. personnel from performing (United States Government Accountability Office 2010).” The defense for contractors in Afghanistan has been immense.

Support for PSCs in Afghanistan does not imply that any of these individuals or agencies is blind to the problems of contracting. In the same Government Accountability Office report it was found that the use of PSCs was not a deliberate or strategic decision, but rather the Department of Defense’s increased reliance on contractors came from “the result of thousands of individual decisions” rather than any intentional process (United States Government Accountability Office 2009). These individual decisions were sometimes even made outside of the primary hiring office. For example, USAID contractors had the ability able to award grants. In Iraq, 8.5% of United States grants
were awarded by contractors. The USAID Afghanistan mission does not keep track of this information (United States Government Accountability Office 2010). While grants or direct economic development is not exactly the same as awarding contracts or hiring subcontractors, this process shows how quickly oversight vanishes and private decisions become part of public policy. These governmental offices do not necessarily know how much they rely on contracted personnel. In 2008 the Government Accountability Office requested the number of contractors employed from Department of Defense, State, and USAID. The Government Accountability Office found that these agencies were unable to comply with the request to provide that information (United States Government Accountability Office 2009).

### 6.2.2 The Effect on Capacity

*Let me note, our enemy, then, is not necessarily religious fanaticism, but the corruption of the human soul. And this is a great challenge, and a great challenge in this context*

*Congressman Dana Rohrabacher, R California*

(Subcommittee on International Organizations, Human Rights, and Oversight 2010).

In order for Afghanistan to achieve Western-style stability and governance it must have a drastic increase in state capacity. Unlike Croatia which had existing strong central governance, or Bosnia which had a legacy of strong central governance and multiple ethnicities vying for control, Afghanistan has a history of weak governance and strong tribal ties. Building a modern state is an incredible challenge in any tribal society, and Afghanistan is no exception. The United States Congressional Research Service found the goal of the mission in Afghanistan to be one of clear, hold, build, and transition. Or, expanded, the strategic aim of the mission is “to protect the population and allow time for
Afghan governance and security forces to take leadership and for infrastructure and economic development to take root (Katzman, Afghanistan: Post-Taliban Governance, Security, and U.S. Policy 2011).” Let capacity be examined through two metrics: does the Afghan state control governance and does it provide basic services to its people? While it is painfully apparent that Afghanistan has not obtained such capacity on its own, this section examines the state’s capacity to providing for its citizens with the support of the United States.

In 2008 a group of Provincial Council leaders were asked what they desired most for their country. The answer was security, education, and economic progress (Subcommittee on National Security and Foreign Affairs 2008). The United States' primary goal (as shown by spending) for Afghanistan was security. Rather than ignoring education or economic progress, security is viewed as a necessary precondition. Children must be safe to attend school, not swept up in insurgencies, or terrorized away from education by tribal laws or fear of retribution. There is, overall, a clear uptick in education. In 2011, school enrollment was

<table>
<thead>
<tr>
<th>Table 6.1 USAID Successes 2002 – 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount spent: over $7 billion</td>
</tr>
<tr>
<td>✦ 715 km of the Kabul to Kandahar to Herat Highway reconstructed</td>
</tr>
<tr>
<td>✦ 1,700 km of paved and 1,100 km of gravel roads completed</td>
</tr>
<tr>
<td>✦ 670 clinics or health facilities constructed or refurbished</td>
</tr>
<tr>
<td>✦ 10,600 health workers trained including doctors, midwives, and nurses</td>
</tr>
<tr>
<td>✦ $6 million of pharmaceuticals distributed</td>
</tr>
<tr>
<td>✦ 670 schools constructed or refurbished</td>
</tr>
<tr>
<td>✦ 60 million textbooks printed and distributed nationwide in Dari and Pashto</td>
</tr>
<tr>
<td>✦ 65,000 teachers trained in modern teaching methods</td>
</tr>
<tr>
<td>✦ 494,000 hectares of land received improved irrigation</td>
</tr>
<tr>
<td>✦ 28,118 loans made to small businesses, 75 percent to women</td>
</tr>
<tr>
<td>✦ 28 million livestock vaccinated/treated</td>
</tr>
<tr>
<td>✦ over 500 PRT quick impact projects completed (Collins 2011, 70).</td>
</tr>
</tbody>
</table>
six times higher as it was prior to the invasion, and 30% of students were female (Collins 2011, 70). No matter the signs of progress, the first item on the wish list remains critical. Night letters were still being sent, and from 2007 – 2009 the Taliban burned or bombed over 1,000 educational facilities (Collins 2011, 70).

This idea of security cannot exist in a vacuum. Security is not created by putting police on the streets and an army on the border. These civil servants must be trained in and respect the rule of law. More than that, they need support from other institutions. Police are ineffective without a place to detain those accused of guilt (jails), a fair and impartial system to try the accused (judges), and a universally accepted and understood set of laws. This, of course, does not excuse willful blindness of the law or claims of ignorance, but immunity from *ex post facto*. Afghan Justice Minister Sarwar Danish was a major advocate of not simply viewing police as the answer to security, and called for well-trained judges, attorneys, legal code, and functioning jails (Subcommittee on National Security and Foreign Affairs 2008). Dr Christine Fair claimed that system the United States created in Afghanistan mimics that of a security service rather than a functioning police force due to the lack of a support structure and rule of law mechanisms (Oversight and Investigations Subcommittee of the Committee on Armed Services 2009, 34).

These moves towards security, education, and economic reform were critically important to provide a sense that Afghanistan is safe for its people. Afghanistan is in the process of one of the largest repatriations the world has ever seen, and it has largely been done by the Afghan people themselves (Barfield 2010, 7). The United Nations Refugee Agency (UNHCR) assisted over 3 million Afghans return home from Pakistan between
2002 and 2007 (UN Refugee Agency 2007). Joseph Collins’ 2011 book puts the number of refugees returned at over five million (Collins 2011, 70). The next section explores if there is a state for these refugees to return to, or is the Afghanistan waiting for them an ungovernable area controlled by strongmen and militias?

6.2.2.1 Does the State Control Governance?

“The Afghan Government, after 8 years of international sponsorship, is a disaster. Its writ extends only as far as foreign troops can carry it. Its policemen are mostly thieves. Its troops still cannot provide security to its people. Its ministries are mostly empty, and the ones that are staffed often focus chiefly on graft. Not fighting it, but pursuing it. Much of its decision-making is non-deliberative, non-transparent, and mostly ineffective, or not intended to benefit the public at large.”

Congressman Gary L. Ackerman (Subcommittee on the Middle East and South Asia 2009)

The civil conflicts inside of Afghanistan during the Cold War engaged the population and made them civilly active. The rebellion against the Soviet Union and the resulting civil war created an engaged population (Barfield 2010, 293). The United States involvement in rebuilding the Afghan state with strong central governance faced resistance from this war-activated civil society. The population had long been under the thrall of a singular autocratic governance and the introduction of another top-down system of authority harkened to the undemocratic leadership of the past (Barfield 2010, 293). Those parts of the populace that were farthest from Kabul were used to being ignored by previous governances unless they directly challenged the authority of the state (Barfield 2010, 338). The Western way of central authority conflicted with the Afghan traditions of tribal leadership.

Barfield writes of a quip an Afghani made: “You Americans pray before the meal; we Afghans pray only after we have eaten it (Barfield 2010, 301).” This outlook was in
effect during the creation of the state. The Afghans were interested in the actions the state would take and the affect it would have on the populace. The Americans were interested in the process of getting the state in place through fair laws and democratic elections (Barfield 2010, 306). One focused on the process of state building, and the other on the outcome. There have been many previous failures in building state capacity within Afghanistan and the Afghans had no reason to celebrate the birth of democracy in their country until it was actually delivered.

The Afghani elites who gathered to form the structure of the new government did so with eyes wide open and with the knowledge utopia was unlikely. Ethnonational issues managed to not dominate the discussion and there was the sense the state would be for all (non-Taliban) Afghans rather than for a distinctive ethnic grouping. It was, as Thomas Barfield so aptly put it, treated like an arranged marriage rather than a love match (Barfield 2010, 280). The Afghan state was built on Western principles and has since strove to increase the authority of the central government. In an interesting twist in capacity building, the Western forces in Afghanistan (notability the United States and British) have come to learn that stability and peace in an area can best be achieved if they bypass Kabul and make deals with local leadership. The Afghan government became more Western, and the Western forces became more Afghani (Barfield 2010, 339).

The Afghan President Karazi was often accused of a personal patrimonial system, but also faced accusations for being a puppet of the United States. During the time of the People's Democratic Party of Afghanistan (the communist party supported by the USSR) Afghan’s became very resentful of leaders installed by other states and wary of clientelism. Karazi faced challenges due to a continuing perception of his role as a
puppet for the United States (Barfield 2010, 342). Karazi’s support for a strong central system of governance seems to be less about adopting a Western model and more a desire to introduce autocratic system of governance. Karazi has been accused of running the government as if its power and all assets were simply an extension of himself. Personal relationships with the highest elite dictated who would be successful or who would be ostracized and jailed (Barfield 2010, 304).

Karzai’s cronyistic state building was unable to absorb the military. The military, as well as the police force, have received extensive training from the United States (often through private contractors) that has included the idea that the military should not be directly involved in politics. This has not only prevented a junta-like situation, but also kept Karzai from gaining personal control over the armed forces (Barfield 2010, 304). Since the military receives the majority of United States assistance into Afghanistan it is unlikely this situation is going to change.

The aforementioned movement to work directly with those affecting an area has been seen with United States government aid and private organizations. International donors have taken to providing funds directly to contractors, NGOs, or other agencies non-affiliated with the Afghan government. For the donors this direct funding is beneficial because it provides a higher level of control of funds and the direction of the project as well as avoiding the immense graft in the Afghan government (Committee on Foreign Relations 2011). The Afghan government is horribly corrupt. In 2009 it was estimated at $2.5 billion in bribes were paid by Afghans to their government (Subcommittee on International Organizations, Human Rights, and Oversight 2010). This is partly why in 2009 Afghanistan was rated 179 of 180 countries on the Transparency
International’s Corruption Perceptions Index (only Somalia ranked lower, a country without a government, torn by civil war, and being accused of genocide (Transparency International 2009).)

There is no doubt that direct investment that bypasses the state weakens capacity. The first Afghan Finance Minister, Asraf Ghani, spoke against private firms being awarded reconstruction projects. He feels that the Afghan government could do the same tasks that NGOs were being paid to do for cheaper and that state control over rebuilding and infrastructure projects would increase capacity. An additional challenge with outside funding to private agencies is that there is only a limited number of highly educated and capable Afghani to be employed for such projects. Non-national actors have the ability to pay drastically more for such employees than the Afghan government, thus drawing the best and the brightest away from direct service to the state (Olson 2006). This weakening of the Afghan government through direct aid has come under scrutiny. The United States plans of increase Afghanistan’s capacity currently involve “Afghanization” of incoming aid that will ensure Afghans lead efforts to secure and develop their country (United States Government Accountability Office 2010). Private aid, and contractors, was viewed as a challenge to that by the Afghan President.

In August of 2010 President Kazari issued Afghan Presidential Decree 62 that forbids PSCs from working in Afghanistan. All firms were to leave the country by December of 2010. This decree came very shortly after it was announced the Afghanistan would manage their own security by 2014 (Isenberg, PD-62 and PSC 2010). President Karzai took a hardline approach to PSCs as he gave a speech announcing the ban: “The people who are working in private security companies are against Afghan
national interest, and their salaries are illegal money. They are thieves during the day and terrorists during the night. If they want to serve Afghanistan they have to join the Afghan police (Trofimov and Abi-Habib, World News: Karzai Slams 'Foreign Advisers' - Afghan President Seeks Ban on Private Security Firms, Straining Ties With U.S. 2010).” Karzai’s stance softened within months. International aid and reconstruction firms had no faith in Afghanistan’s police force to provide reliable security. Aid programs were canceled and funds withdrawn (Isenberg, PD-62 and PSC 2010).

It is not unreasonable for private donors and NGOs to lack of faith in the Afghan Army or police force as demonstrated by an event that occurred shortly after the President’s speech. A major international development and aid company, DAI, was attacked by insurgents. This private company had hired contractors for security (Edinburgh International) to keep their employees safe until the official forces arrived. When the official forces arrived the Afghan Army is accused of causing more damage to the building and firing indiscriminately into areas where DAI’s workers were located. The Afghan Army gave an incorrect all clear to the development agency, only to have DAI’s people come out of hiding and be murdered by hiding insurgents. This event took approximately six hours, and DAI survivors claim they placed many many calls to the German troops in the area, asking for help. The Germans declined to respond to DAI’s calls, saying the Afghan Army did not need support. Finally DAI was able to call the Americans who quickly showed up and cleared the building (Abi-Habib 2010). The incorrect all-clear given by the Afghan Army cost humanitarian workers their lives.

Facing a lack of support and withdrawing aid, the initial plan to ban PSCs was scrapped, and in March of 2011 the Ministry of the Interior released an implementation
plan for the restrictions on private firms. The ultimate goal was to have Afghan forces provide security, but PSCs would be allowed to protect development or reconstruction projects until March 2012 and international convoys and sites until March 2013. Private forces that provide security for diplomatic organizations were except from these restrictions (Commission on Wartime Contracting in Iraq and Afghanistan 2011). It is interesting to note the focus of the legislation seems to focus on forbidding PSCs to be involved with “static security.” Static security is another way to say uniformed security guard who watches over a set location. This restriction is less about American contractors, but about the TCN who were subcontracted to take these guard jobs. These TCNs have been accused of being a security risk but, more damning, their use also denies Afghan’s jobs.

Several large PSC firms operate in Afghanistan are local companies while the majority are foreign owned. These local firms provide an estimated 30,000 jobs (Trofimov and Abi-Habib, World News: Karzai Slams 'Foreign Advisers' - Afghan President Seeks Ban on Private Security Firms, Straining Ties With U.S. 2010). One of the Afghan firms that were targeted by this law is White Eagle Security. The director of the company, Said Maqsood, blames the law for requiring him to lay off 530 people. He told the Wall Street Journal that he fears he may need to layoff more people: "I am worried about the 2,000 people who receive salary from me. Each one of them supports five to 10 people. The government can't even provide work for 200 of them." (Trofimov, World News: Afghans Begin to Disarm Private Security Firms 2010) As the Afghan state reaches to build its capacity, it looks to the removal of firms who replace, rather than reconstruct, its institutions.
6.2.2.2 Does the State Provide Basic Services?

“The economy is the key solution,” Dalbar Ayman, the Governor of Zabol, told the Washington Times in April of 2007. “If it is good, there will be no Taliban. But now, I cannot even support my brothers in Zabol with a piece of bread.” (Gray 2007)

As previously mentioned, in 2008 leaders of the Provincial Council listed security, education, and economic progress as the three primary areas they would most like to see improved in Afghanistan (Subcommittee for National Security and Foreign Affairs and the Committee on Oversight and Government Reform June 18, 2008, 2). This section shall examine these three areas to observe if the state is successful at providing basic services. Security will be covered in great detail in section 6.3.1 when the study explores how PSCs have affected institution building. As a preview, the Afghan state is unable to provide security to its citizenry. Not only were the soldiers/police not fully trained, but the Afghan state does not have the resources to maintain the police or the army. The state simply does not have enough money to do so. As of 2011, the United States spent $6.4 billion dollars a year on supporting the Afghan Army (Commission on Wartime Contracting in Iraq and Afghanistan 2011). The main facility to train officers, the Afghan Defense University, is expected to cost $40 million dollars a year to run (Commission on Wartime Contracting in Iraq and Afghanistan 2011). When Afghanistan takes over its own security, the cost of policing will be prohibitive. A poor state has been given the tools of a rich one. To use an analogy, the United States has gifted an immensely expensive sports car to a state that cannot even afford to buy gas.
While the American colloquialism regarding education, the military, and bake sales\(^{42}\) also holds true in Afghanistan, the effort in rebuilding education has been much more successful than that of the police force. The 2008 Afghanistan National Development Strategy found that more than 70% of the population is illiterate; yet the United States Government Accountability Office reports that this number misrepresents the huge progress that has happened in education since the ousting of the Taliban (United States Government Accountability Office 2009). Less than 1,000,000 children were enrolled in school before the United States invasion into Afghanistan. In his role as Secretary of Defense, Robert Gates boasted of the progress: “Now more than five million students – at least one and a half million of them girls – are enrolled in school.” (Jones 2009, 207)

Even with such promising numbers, there are still major challenges in education; contracts to build schools often do not take into account the lack of personnel, supplies or security to run the school (Commission on Wartime Contracting in Iraq and Afghanistan 2011). Security remains an important aspect of education. In order for education to be successful, people must not be afraid to send their children to schools or to become teachers themselves. Schools have been targeted as a place for murders – so called “executions” – of Afghans who are perceived to have sided with the Americans. Teachers have been directly threatened as this excerpt of a Night Letter from the Taliban shows: “Teachers’ salaries are financed by non-believers. Unless you stop getting wages for them, you will be counted among the American puppets (Jones 2009, 230).” For

\(^{42}\) “It'll be a great day when education gets all the money it wants and the Air Force has to hold a bake sale to buy bombers.”
those who opposed the reconstruction, schools were seen as a tool to “westernize” the youth. They are constructed by what appear to the populace to be American soldiers (but are private contractors), encourage the education of women, and challenge traditional beliefs. This has caused many centers of education to be burned or destroyed (Marsden 2009, 210). It is also worthwhile to note that while many statistics regarding Afghanistan praise the increase of children (and especially girls) in school there is not much discourse about the quality of the education being provided (Marsden 2009, 125). Perhaps the 70% illiteracy rate is a critique on this very point.

Economic development is critical for reconstruction. It is important to look not only at how much is being spent within the country but also how that money is being spent. Much of what occurred in Afghanistan’s reconstruction is that development and construction projects replaced government functions rather than teaching the Afghans how to undertake such tasks themselves. Without involving locals there cannot be permanence to these projects. The General of United States forces in Afghanistan agreed. General Petraeus stated that international forces must “hire Afghans first, buy Afghan products, and build Afghan capacity (Schwartz, Department of Defense Contractors in Afghanistan and Iraq: Background and Analysis 2011).” A Congressional Research Service report found that the Department of Defense followed this policy and employs more local nationals than United States citizens and TCNs combined (Schwartz, Department of Defense Contractors in Afghanistan and Iraq: Background and Analysis 2011). Hiring locals allowed the Department of Defense to ensure that there is a

43 This is also an excellent way to visualize just how many subcontractors most primary contractors employ.
knowledge base for the project within the community. This allowed the community to maintain and continue the project rather than needing endless United States support (United States Government Accountability Office 2010). This “Afghan first” policy faced some challenges in a multiethnic society. While Afghanistan has done excellently at avoiding ethnic conflict, there are still ethnic tensions. Hiring someone simply because they are from Afghanistan does not mean they will match the makeup of the local community. Just because these people share a citizenship does not mean they will share a sense of identity (Schwartz, Department of Defense Contractors in Afghanistan and Iraq: Background and Analysis 2011).

There is also the challenge of who will employ these locals. Projects sponsored by the Afghan government help build capacity and increase the odds the project will be sustainable after the United States leaves. However, the Afghan government has been plagued by serious corruption issues, which has caused trust issues for many organizations. Further, the government faced brain-drain with its staff as outside agencies were willing to pay well-qualified individuals significantly more. The Department of Defense reported that using an equivalent local contractor cost 4% of the cost of using a United States employee (United States Government Accountability Office 2010). It is little wonder that qualified employees could be tempted to work outside the government for significantly more pay. This provided challenges. Much like the police that Afghanistan will not be able to afford without United States assistance, other donations were unable to be used by the Afghan state. For example, the United Nations donated a lab to the Afghan government to use for drug testing. However, the Afghan
government lacked the resources or staff to operate the lab, and the United Nations was forced to staff and run it (United States Government Accountability Office 2009).

While a large amount of money was promised to Afghanistan not all of it arrived. The Agency Coordinating Body for Afghan Relief (ACBAR) found that out of the more than $20 billion that was promised to Afghanistan between 2002 and 2008 almost $9 billion dollars of aid is still outstanding (Saikal 2010, 251). Worse, 40% of the funds that arrived in Afghanistan were absorbed back by donor countries cost either through consultants fees or expatriates pay. The remaining money funded NGO and the United Nation’s operating costs, or was spent on foreign contractors (Saikal 2010, 251). Only a very small amount of this money actually reached the Afghan government.

The provision of other basic services in Afghanistan overlaps into security, education, and the economy. Roads have been one of President Karzari’s driving goals (Committee on Homeland Security and Governmental Affairs 2007). His idea was that roads would connect the country culturally and provide for the movement of supplies. Testimony to the United States Senate shows that huge progress has been made in this area: “Before, fewer than 50 kilometers of paved roads were usable. Today, it is more than 6,000 kilometers of paved, gravel, and cobblestone roads, and the U.S. contribution to that number is more than 4,000 kilometers (Committee on Homeland Security and Governmental Affairs 2007).”

There have been other notable successes. Afghanistan’s central bank had $2.5 billion in reserves in 2008. Before the invasions there wasn’t even a central bank (Jones 2009, 207). The telecom business is another positive achievement. In 2002, 99% of
population was off the grid. Only five cities even had telephone service, and most of that was clustered in Kabul. Four years later every province was connected to a national network, and cell phones became an eighth as expensive. The telecom industry attracted the largest percent of foreign direct investment of any industry in Afghanistan (Jones 2009, 206).

One of the most striking expensive-car-but-can’t-buy-gas moments in Afghanistan is the Kabul power plant. The plant was designed by non-natives and built in a large rush to be completed before the 2009 election. The Afghan government agreed to pay for the upkeep of the facility and for its operating costs. However, due to the expensive equipment chosen, the Afghan government has stated it will be unable run the plant on its own (Commission on Wartime Contracting in Iraq and Afghanistan 2011). A similar story took place with a water and sanitation plant when the facility was created with no plans for future operation, staff, or how the Afghan government would pay to operate the system (United States Government Accountability Office 2009).

An area that the United States has been interested in seeing develop, elections, progressed with mixed success. The 2004 presidential election was chaired by the Joint Electoral Management Body which was formed of both the international community and locals. Electoral law was created that “stipulated that candidates must not receive funding from foreign sources or illegal domestic sources; must not have nonofficial military forces; and shall not entice ethnolinguistic, sectarian, and regional differences or resort to the use of force for any purpose (Emadi 2010, 214).” While there were claims of fraud, it was Afghanistan’s first direct election and a sign of progress.
The elections also showed that the population was not focused on ethnic tensions as only 2% of voters said they voted based on ethnicity. The majority found that it was more important for the state to remain unified rather than focus on ethnicity (Jones 2009, 160). This is phenomenal for a country that cannot provide agreed upon numbers of their population and ethnic breakdown due to how politically sensitive such information would be (Barfield 2010, 23). Elections were something the Afghani people become invested and participated in (Barfield 2010, 300).

The 2009 elections were different. Ethnicity was still not the driving factor, but now fraud was overwhelming. Accusations of vote-rigging, intimidation, and fraud were broadcasted throughout the globe and a run-off election was ordered because the results could not be validated. Karazi’s opponent, Abdullah Abdullah, stepped out of the race claiming that a fair election would be impossible. After the 2009 Afghan elections, the United States House of Representatives’ Subcommittee on the Middle East and South Asia met to discuss the legitimacy of the election. Both the members of the subcommittee and their invited experts were in full agreement that the election itself was extremely fraudulent (Subcommittee on the Middle East and South Asia 2009). Regardless of that there was huge political significance for the United States for claiming these elections were effective (Marsden 2009, 120). The United States justified much of its actions since the Cold War through the veil of exporting democracy. Elections are the ultimate sign of that success.

Money continues to be a problem for Afghanistan. The state did not have the funds to pay for its 2009 elections and thus required aid from the international community to run the presidential election. In addition, Afghanistan was not prepared to
hold the elections at the time required by the constitution and had to delay by several months (United States Government Accountability Office 2009). Even when basic state services, like an election, are showing signs of success (such as electing a president) Afghanistan suffers from graft in almost all it does and is constantly running out of resources.

6.3 The Actions of the Private Firm

It is a tremendous honor for the DynCorp International Team to provide logistics support in Afghanistan for the men and women of the U.S. Army. I cannot think of a more important contribution we can offer for our nation’s security, or a better example of serving today for a safe tomorrow. Through our relentless focus on performance, compliance, ethics and accountability, the DynCorp International Team provides the best value for the U.S. Army and for the taxpayer.

- DynCorp International President and CEO William L. Ballhaus in an interview with Women's Health Weekly (Women's Health Weekly 2009)

The reconstruction of the Afghan state is an unstable process, but the involvement of PSCs proceeds unabated. In response to the United States troop surge, the Congressional Research Service predicted that an additional 26,000 to 56,000 private contractors will be sent to Afghanistan. This could raise the total number of contractors as high as 160,000 (Caldwell, Vortex of Conflict: US Policy Towards Afghanistan, Pakistan, and Iraq 2011, 243). As early as 2008 the conflict in Afghanistan “represented the highest recorded percentage of contractors used by DOD in any conflict in the history of the United States” as contractors accounted for 69% of the Department of Defense’s workforce (Isenberg, Private Military Contractors as Buzz Lightyear: To Afghanistan and Beyond 2010). Many of those contractors will not be involved with security, but rather be focused on infrastructure or administrative needs. However, in Afghanistan the difference between “construction contractor” and “private military contractor” has
become blurred because private contractors who operate in Afghanistan are required to provide their own security. Up to 15% of construction contracts were earmarked for private security to guard personnel, buildings, and convoys (R. Perito 2009). In May of 2010 the U.S. Central Command's (CENTCOM) Armed Contractor Oversight Directorate (ACOD) reported that there were more than 26,000 private security personnel in theater and 90% of those were working under United States contract (Committee on Armed Services 2010, i).

There is no doubt that contractors make their way into combat-type operations. In Afghanistan contractors support and fly the RQ-4A Global Hawk (an unmanned aerial surveillance plane) (Isenberg, Slippery Slope: Contractors' Impact on Military Culture 2009). DynCorp is responsible for moving a large amount of personnel and equipment throughout the country through regions that remain torn apart by hostilities (Castelli 2009). It is impossible to imagine moving through these areas without armed guards, and only in a utopia could one imagine these convoys never saw conflict.

6.3.1 Does the PSC build institutions?

Institution building is hypothesized to be the most important thing a PSC can do to assist with the rebuilding of a war-torn state. In order for the traditional objectives of Western state-building to be successful, PSCs must create long-term institutional capacity rather than simply replace the functions of these institutions. For example, rather than simulate a national police they must be employed to create a national police. This section will examine the PSC involvement within Afghanistan and if it has been successful in creating institutions by examining the training of the police, a snapshot of overall PSC
involvement in the country and how the PSC industry has attempted to integrate the “Afghan first” policies.

The United States lacks a national institution to train foreign police. The Major General of the Combined Security Transition Command – Afghanistan “told Condoleezza Rice in June 2006 that there was no office in the United States government that could effectively build a foreign government’s police force; INL did not have experience in rebuilding a large country’s police force, nor did the Department of Defense and Justice (Jones 2009, 170).” Ignoring that continuing to hire contractors to fix this problem replaces, rather than creates, institution in the United States, DynCorp was hired to train the national police force. The United States Government Accountability Office reported that by 2008 DynCorp had slightly more than 500 contractors training the Afghan police (Subcommittee for National Security and Foreign Affairs and the Committee on Oversight and Government Reform June 18, 2008, 58).”

This training has not gone well. The quality of the hired police trainers is reported to wildly vary from massively experienced, to have never experienced tribal society before, to never having exposure to an insurgency (Jones 2009, 174). In an interview with author Seth Jones the former Afghan Minister of the Interior, Ali Ahmad Jalali, described DynCorp as being interested in fulfilling the basic requirements of the contract rather than creating a functional and vibrant police force. He said “The DynCorp police trainers were a mixed bag. I personally rejected a number of DynCorp contractors because they had little or no useful background for training police in Afghanistan (Jones 2009, 174).” Yet DynCorp isn’t the only agency expected to provide mentors to these police. The United States military should have provided 2,400 trainers,
but only 746 were assigned. (Subcommittee for National Security and Foreign Affairs and the Committee on Oversight and Government Reform June 18, 2008, 58). Rather than being a United States military led training with a 5 to 1 military to contractor ratio, it is instead a 1.5 to 1 ratio.

Table 6.2 Percent of Capable Afghan National Police Units in 2008 (Subcommittee for National Security and Foreign Affairs and the Committee on Oversight and Government Reform 64)

By 2008 the police were a full blown disaster. 433 police units had been created, but not a single one could be deployed without Coalition support (Subcommittee for National Security and Foreign Affairs and the Committee on Oversight and Government Reform June 18, 2008, 64). DynCorp produced weekly reports from their mentor program. The 2007 reports show serious failings with the police force. The problems come in two divergent forms of catastrophe. The first is the direct failings of the police
force. For example, 88% the police were unable to account for the equipment they were provided, and 87% of the time the police force was plagued with problems of corruption. This involved defecting or providing weapons the Taliban, accepting bribes, and running racketeering scams. The second problem is the lack of logistical support provided to the police and the massive danger under which they operate. 94% of the time the police had problems being paid. Either the money would not arrive, or the police would have to spend their own resources to travel to a faraway location where the paycheck was sent. 95% of the time the police reported being under attack by insurgents, faced with IED bombings, and other dangerous conditions (Subcommittee for National Security and Foreign Affairs and the Committee on Oversight and Government Reform June 18, 2008, 20). The lack of pay is especially damaging. The Taliban offered more pay than the Afghan police and attempt to recruit freshly United States trained cadets into the insurgency. But it is not only the opponents of the United States that recruit away from the police force. In a 2010 United States Senate’s Committee on Armed Services hearing the Deputy Assistant Secretary of Defense for Afghanistan, Pakistan, and Central Asia, David Sedney, reported that ANP officers are leaving the force for better paying jobs with private security companies (Committee on Armed Services 2010, viii, ix).

DynCorp also provided site preparation for United States troops in Operation Enduring Freedom. The PSC was involved with an impressive array of support – constructing tent cities, establishing fuel farms, refueling aircraft, operating power plans, ground transportation, laundry services, and providing bottled water, meals, furniture, and fuel (Tripp, et al. 2004, 45). All of these things, however, simply support United States or coalition troops and do not affect the replacement or creation of institutions.
This is an example of how a firm can be very, very active in contracting but not affecting the state capacity of the host state. It is the scope of the contract that matters. The DynCorp police contract can affect capacity; a site preparation and support contract for foreign troops cannot.

While the DynCorp police contract was a (failing) attempt to build institutions within the country, MPRI’s contracts with the Afghan Ministry of the Interior show risk of replacing, by simply doing the work for the Afghans. MPRI provided personnel and logistics systems and used contractors to help formulate the budget for the Ministry of the Interior. MPRI attempted to “Afghanized” the system by including the Afghans in the ministry, but the work itself is something the Ministry must be able to handle (Jones 2009, 169). Only time will tell if MPRI was able to create institutional strength inside the Ministry. MPRI’s contractors were prevalent inside the Afghan government and the firm’s ability to build institutional capacity, rather than create a stopgap solution, will be critical for forward progress. MPRI is reported to be contracted to work within the hierarchy of the International Security Assistance Force, Afghan security forces, mentor the Afghan general staff, draft doctrines for the Army, train officers at Afghanistan’s version of West Point (Kabul Military Training Center), and provide other governmental support (Isenberg, Private Military Contractors as Buzz Lightyear: To Afghanistan and Beyond 2010).

One of the most problematic oversights taking place is the continued payments of money to the Taliban. The United States is at war with these insurgents; taxpayer money should not be flowing to fund the insurgency against American troops. For example, the World Bank is funding a multibillion dollar project to build a road around Afghanistan.
The contractors in charge of that project pay a huge amount of money to the Taliban to be left in peace (Emadi 2010, 238). In the Kunar Province a USAID community-development contractor paid 20% of the award to insurgents to ensure the project could move forward. (Commission on Wartime Contracting in Iraq and Afghanistan 2011). Rather than building institutions, or supporting institution building, these contractors actively allow money to be funneled to forces that destroy projects and oppose United States goals. A report for the United States House of Representatives described the situation as a “protection racket in Afghanistan that would make Tony Soprano proud (Subcommittee on National Security and Foreign Affairs of the Committee on Oversight and Government Reform 2010, 7).”

While the need for institution building may not be a direct goal of the PSCs, the involvement of locals is. Not only are Afghan’s drastically cheaper to hire than Americans, the use of locals allows for a smooth transition for projects once the contract is over. There is also a business aspect to these decisions. Michele Flournoy, the Under Secretary of Defense for Policy of the United States, told the United States Senate’s Committee for Armed Services that employing local nationals assists with the economy as well as winning the hearts and minds of the population. Therefore the Department of Defense prefers to see contracts that use local nationals, claiming that “70 percent of the funds executed within Afghanistan go to companies that consist of local nationals. (Committee on Armed Services 2010).” The Deputy Assistant Secretary of Defense, Gary J. Motsek, praised these local contractors: “These local national jobs are central to the COIN operations…Many have assumed risk and have sacrificed protecting key movements and facilities and freeing up key combat capability (Subcommittee on
National Security and Foreign Affairs of the Committee on Oversight and Government Reform 2010, 102).” However, the hiring pool for local nationals was limited. The challenges the Afghan police face with literacy rates shows that there was simply not a well-trained (and non-criminal) pool of employees to select from.

Doug Brooks, president of International Peace Operations Associations (a trade group representing PSCs), discussed the matter of the Department of Defense’s requirements to employ locals in Department of Defense contracts: "There's not a huge amount of choice in the local hires they [PSCs] can use. Where are they going to get guys who have never smoked hashish, who have never worked for the Taliban or who have never considered joining the Taliban (Hodge 2010)?” Critics say that this Afghan First policy is simply smoke and mirrors considering much of United States aid continues to flow back into the United States through contractors, goods, and services. Earthscan Publications found that 71.6% of United States bilateral aid was tied to the purchase or goods from the United States (Marsden 2009, 133).

Even if every United States contract in Afghanistan employed local nationals as contractors there would still be a serious risk to the economy. The goal of the United States-led reconstruction has been to build intuitions and a strong economy and it seems logistical that employing locals would assist that goal. Yet there are still challenges; when local nationals are hired for massive construction contracts, guard duties for convoys and troops who will be pulled out, these Iraqis face unemployment when the United States leaves the Afghani theater. If the United States undergoes a major withdrawal from Afghanistan, there would be a huge rush of unemployment leaving many individuals trained by United States contractors without income. It is possible
these individuals could then take their expertise to work for the Taliban. The problem, regardless of locals, is that the Afghan economy has a limited absorptive capacity (it can only handle so much influx of outside funds) that has destroyed any hope of a normal economic system (Commission on Wartime Contracting in Iraq and Afghanistan 2011). In 2011 the World Bank estimated that 97% of Afghanistan’s GDP was related to the international presence within its borders. Once external sources of funding leave progress in Afghanistan could see a major blowback as the country becomes at risk for economic depression (Committee on Foreign Relations 2011).

PSCs were not the only offender in the lack of institution building; NGOs also had a prominent place in the reconstruction of Afghanistan. In the neocolonial era, reconstruction is often publically-funded but carried out by firms in the private sector. The major countries involved in the reconstruction of Afghanistan (United States through USAID, United Kingdom, Germany, and Japan) used their embassies to supply money to private organizations, often with the involvement of the World Bank and IMF, and avoiding the government of Afghanistan all together. Emadi reports that many of these NGOs hired one or two locals in order to bill themselves as a locally based NGO. The idea is that employing locals would create goodwill with donors, avoid the wrath of policy-makers who want more local involvement, and allowed the NGOs to gain exemptions from taxes, customs, and duties (Emadi 2010, 231). In the reconstruction of Afghanistan private actors, PSCs and NGOs, did not treat the Afghan government like a partner or ally, and actively avoided the host country’s oversight. Thomas Barfield reported that over 75% of aid for Afghanistan came in through channels outside the Afghani government (Barfield 2010, 316). Since United States-sponsored private
contractors and international NGOs controlled many funds directly, the reconstruction forces had little reason to work directly with the Afghan government. While this is a determent to state capacity the avoidance of the Afghan government provided benefits for the organizations involved in the reconstruction. It allowed for contracts to be completed quicker, it avoided government graft, and the money was able to be spent in the exact way the donors intended (Barfield 2010, 316).

6.3.2 Was the PSC Subject to the Rule of Law?

PSCs in Afghanistan have proven to be relatively lawless with scanty oversight and no punishments for negative behaviors other than toothless inquiries by United States Congress. Karzai’s presidency attempted unsuccessfully to ban these contractors from Afghanistan. When Blackwater was declined as a contractor in Afghanistan, it created a new shell company and used that as a subcontractor. There is a huge lack of oversight, poor completion of projects, criminal activity, and known problems with sexual crime and discrimination. This is on top of the firms who have not seen fit to register themselves with the Afghan Ministry of the Interior or have expired licensing (Vainshtein 2008). PSCs in Afghanistan were reminiscent of the cowboys in the Wild West. There were some good, some bad, and very little law.

The lack of oversight on PSCs traces back to a shortage of contracting officer's representatives (COR) in all contracting agencies. These would be the individuals who were assigned to monitor and oversee contracts. The LOGCAP buildup in Afghanistan ( overseen by the Department of Defense) was found to be short by 170 contracting officer's representatives (Commission on Wartime Contracting in Iraq and Afghanistan
2009). When examining contracts for forward operating bases, the Committee for Armed Services found that that reports on these contracts were simply lacking critical information such as contractor capabilities, the past performance of the company, or how the contractor was performing (Committee on Armed Services 2010, vi). A United States base commander station in Afghanistan provided testimony that he had no awareness of how many contractors came onto his base each day (Commission on Wartime Contracting in Iraq and Afghanistan 2009).

When contract oversight was occurring it was often through untraditional means. In 2009 Aegis Defense Services was contracted to support the Armed Contractor Oversight Directorate and assumed control over the day-to-day responsibilities of the directorate. The military took months to fulfill the order for contracting officer's representatives for the Armed Contractor Oversight Directorate which left a PSC in charge of overseeing the contracts of other PSCs (Commission on Wartime Contracting in Iraq and Afghanistan 2011). Even when PSC contracts were being reviewed by military personnel, sometimes those officers were not located in Afghanistan and had no ability to review or monitor the job site. They use the data the contractors choose to provide to review the contractors process (Commission on Wartime Contracting in Iraq and Afghanistan 2009). If a problem arose where on-site supervision was required, this is difficult to obtain. The Committee on Armed Services related an example of how the United States Army’s Program Executive Office for Simulation, Training, and Instrumentation called Afghanistan to review a contract, only to have that command post report that they did not travel to oversee those sites (Committee on Armed Services 2010). With the boom in contracting there is not enough government agency staff to
oversee the contracts. USAID’s Director of the Office of Acquisition and Assistance, Maureen Shauket, reported that “in order to meet the U.S. Government’s civilian average ratio of number of dollars per contracting officer, USAID would have to send nearly its entire overseas workforce to work only in Afghanistan (Committee on Foreign Relations 2011).”

Oversight is clearly important. When the Commission on Wartime Contracting in Iraq and Afghanistan visited contractor-constructed United States Forces headquarters in Afghanistan they observed “structural cracks, improper plumbing (and thus unusable bathrooms), an incorrectly sized sewage system, broken and leaking pipes, sinking sidewalks, and other construction defects (Commission on Wartime Contracting in Iraq and Afghanistan 2009).” In another instance DynCorp’s contractors claimed that extensive repairs to a facilities electrical system had been completed when the parts were still on order (Commission on Wartime Contracting in Iraq and Afghanistan). When the State Department inspected the United States embassy in Afghanistan it found that at least 18 guards were not at their posts, a feat the contractor blamed on “supervisory personnel negligence (Ad Hoc Subcommittee on Contracting Oversight of the Committee of Homeland Security and Govermental Affairs June 10, 2009, 2).” Sometimes companies fail or take shortcuts. Oversight was critical to ensure that taxpayer funds were not wasted.

The United States has conducted multiple congressional inquiries, government requested reports, and even a special commission created to investigate contractor actions in Afghanistan. These investigations have discovered a lack of transparency and unchecked crime taking place. The United States Committee on Armed Services
reviewed the Commission on Wartime Contracting in Iraq and Afghanistan’s findings and found that the “inquiry uncovered evidence of private security contractors funnelling U.S. taxpayers dollars to Afghan warlords and strongmen linked to murder, kidnapping, bribery as well as Taliban and other anti-Coalition activities. It revealed squandered resources and dangerous failures in contractor performance, including untrained guards, insufficient and unserviceable weapons, unmanned posts, and other shortcomings that directly affect the safety of U.S. Military personnel (Committee on Armed Services 2010, i).”

These committee meetings also discussed the dangerous practice of subcontracting jobs to locals without researching who they are. ArmorGroup came under scrutiny for hiring back-to-back local subcontractors who were reported to be supporter of Taliban operations and would give the money they earned from ArmorGroup directly to the Taliban (Committee on Armed Services 2010, ii). While employing these subcontractors (code named Mr. White I & II) was, in and of itself, not illegal funneling money from the reconstruction team and turning it into bullets that will be fired at said reconstruction team is simply a foolhardy endeavor that should be prevented (Committee on Armed Services 2010, ii).

There were also case after case of overbilling, false charges, and other graft. In one example a contractor bought winter clothing which was counterfeit…and run by the individual’s wife. $380,000 dollars worth of purchases were directed to his wife’s company (Ad Hoc Subcommittee on Contracting Oversight of the Committee of Homeland Security and Govermental Affairs June 10, 2009, 2). Even if the product had not been fraudulent, this is the exact sort of graft that is harming state building in
Afghanistan. Yet there is no judicial punishment for this waste of taxpayer resources. When the State Department found out and verified this corruption their response was to ask for the contractor to be fired (Ad Hoc Subcommittee on Contracting Oversight of the Committee of Homeland Security and Govermental Affairs June 10, 2009, 15).

Paravant, one of Blackwater’s shell companies in Afghanistan, has been remarkable with its bad behavior. In 2009 two of Paravant’s contractors killed two Afghani men through weapons fire. The contractors were found to have “violated alcohol consumption policies, were not authorized to possess weapons, violated use of force rules, and violated movement control policies” by the contracting officer, while the Department of Justice reported that the shooting caused “diplomatic difficulties for U.S. State Department representatives in Afghanistan” and impacted “the national security interests of the United States (Committee on Armed Services 2010).” This weapons misfire was not an isolated incident. A year earlier a Paravant weapons trainer decided to ride on the back of a moving car “like a stagecoach.” During these shenanigans the vehicle hit a bump, the trainers AK-47 discharged, and another member of the Paravant team was seriously injured. The utmost in sad irony is that these men were contracted to teach weapon safety to the Afghan Army (Committee on Armed Services 2010).

The investigation into the murder of the two Afghani men by Paravant employees became more scandalous when it was discovered that the guns used in the shooting were never intended to be used by those contractors. In fact, those contractors did not have permission to carry guns in Afghanistan. E-mails from the company and records from the facility in question show that Parvant had acquired several hundred weapons, including more than 500 AK-47s, that were supposed to be issued to the Afghan police
The Wall Street Journal reported that in 2008 a Paravant employee acquired more than 200 rifles from the same facility. When the investigation attempted to find the employee who checked out the weapons were not signed out by any known Paravant employee. The name given was Eric Cartman…which happens to be the name of a character from the American TV show Southpark (Cole, World News: Senate Grills Defense Firms on Policies 2010).

While no judicial penalty came from the missing guns, the two contractors involved in the shooting were charged by United States courts under the Military Extraterritorial Jurisdiction Act. They were found guilty of the involuntary manslaughter of one of the murdered Afghani and acquitted of second-degree murder, assault resulting in serious bodily injury, and firearms offenses (Department of Justice 2011). Christopher Drotleff was sentenced to 37 months in prison, Justin Cannon received 30 months, and Blackwater paid the families of the victims $12,000 apiece (Sizemore 2011). It is one of the only examples of contractors murdering host state nationals and serving jail time for such crimes.

Over Croatia and Bosnia, Afghanistan has seen more contractor prosecutions, but this may also simply be due to the higher rate of crime and the larger deployment. Another prosecution, this time under the United States Patriot Act rather than the Military Extraterritorial Jurisdiction Act, was the case of David Passaro. David Passaro beat an Afghan prisoner to death while being under contract to the CIA. Passaro used a flashlight to beat the detainee to attempt to gain information about a rocket attack during a marathon 48-hour interrogation. The contractor was the first American civilian charged in conjunction with Afghanistan. Charges were brought under the United States Patriot
Act that allows the United States government to prosecute their own nationals for crimes committed on land used by the United States, such as military bases. He was convicted in 2006 and sentenced to eight years in prison (Agence France-Presse 2009).

6.3.2.1 Is Justice Administered in the State?

While the United States convicted several PSC contractors for crimes in Afghanistan, this increase of the capacity of the United States justice system did not carry to Afghanistan. The justice system in Afghanistan is not successful. Insurgents were paid off to not attack troops and infrastructure, militias/warlords rebranded themselves PSCs, the police became embroiled in graft, and government hires were nepotistic. The international community operates in Afghanistan only under its own supervision. The Karzai government proved that it is unable to ban PSCs from Afghanistan.

Some PSCs in the state were found to be fraudulent, deceitful, and even embroiled in a protection racket with the Taliban. These matters are well known to both the Afghan and United States government. The United States has held hearings after hearings before Congress on these matters. For example, the Senate’s Armed Services committee generated an inquiry that was completed in 2010. It found that PSC failings such as "untrained guards, insufficient and unserviceable weapons, unmanned posts" were putting United States troops at risk (Hodge 2010). The report further detailed the aforementioned Taliban involvement and how some of the American PSCs local subcontractors were working for both the insurgency and the occupiers. There is no evidence of any legal repercussions for these actions. There were militias that were charging for the safe use of the roads that then rebranded themselves as PSCs and were
contracted to provide convoy security (Fritsch 2010). A simple rebranding brought the warlord in compliance with the law without any change in behavior.

The police are one of the biggest challenges with Afghanistan’s justice system. Police provide the stepping stone for law and order in a community. It is the job of the police to deter crime, protect citizens, uphold the law, and provide a visible sign of the states commitment to the rule of law. If the police were to become a successful institution then stability in Afghanistan will increase. The insurgents were aware of this fact as well and target the police for this reason. In 2007 the Afghan police’s combat losses were approximately three times higher than the Army’s (Subcommittee on National Security and Foreign Affairs 2008). Not only is the police being targeted by the insurgency, but as of 2007 65% of the population believes that the Afghan police are “unprofessional and poorly trained (Subcommittee for National Security and Foreign Affairs and the Committee on Oversight and Government Reform June 18, 2008, 4).” A trucker interviewed was much blunter: “Forget about the Taliban, our biggest problems are with the police (Sands 2007).”

The crimes of the police are well-documented and mighty. The problems began with recruitment that took place on a cronyistic and/or nepotistic basis. The Chief of Police was able to select who shall be hired, creating a patrimonial system much like the very militias the police were trained to protect the population from (Marsden 2009, 162). Police chiefs were additionally accused of inflating their personnel rosters so the international community would pay for more police than actually exist, allowing the chief to pocket the extra salary. Other officers took a tithe of their subordinate’s earnings (Jones 2009, 172). The police operated much like a protection racket, forcing people to
pay for their safety and providing a safe haven for vested interests such as the opium trade.

The training of the police failed and there is no accountability for it. Money pours in, but results are absent. It is a two part problem with no accountability. The police never received all the mentors they should have, and this “shortage of mentors is the primary obstacle in building a fully capable [police] force.” The need for military personnel elsewhere, such as Iraq, was a higher priority, leaving the training to be supervised by contractors (Subcommittee for National Security and Foreign Affairs and the Committee on Oversight and Government Reform June 18, 2008, 5). The training of the Afghan police was transferred between countries as well. Germany first managed the training in 2002, then the United States State Department in 2003, and in 2005 the United States Department of Defense took over (Jones 2009, 174). To further complicate matters, the Department of Defense and State first separated the task of police training into three separate contracts. These were to train the conventional police, to train the border police, and to build capacity at the Ministry of the Interior. (Commission on Wartime Contracting in Iraq and Afghanistan 2011). There has been over $6 billion dollars spent by the international community (mostly the United States) to build this police system, yet no one is being held accountable for the failures in training. There is also the secondary failure of support. When the police completed their training they were set loose without oversight and often fell back into old habits. This process was aptly compared “to making batch after batch of ice cubes, only to keep dumping them into a vat of boiling water (Serchuk 2006).”
While the police are the most visible aspect of the justice system, the bedrock rests on the rule of law. No matter the quality of the police the justice system will fail without a judiciary, legal code which is applied uniformly across the country, and jails (Marsden 2009, 163). The strengthening of the police is a critical and essential step, but without the introduction of the rule of law and the defeat of governmental graft there cannot be justice within Afghanistan (Collins 2011, 101). It is also a matter of changing norms within Afghanistan. The population does not think to turn to the government for help with justice. Afghanistan is steeped in a culture of *lex talionis* which mobilizes the kin of a victim for retribution. Rather than the retribution for a crime halting with guilty individual, the criminal’s family is collectively responsible, and can be targets for revenge (Barfield 2010, 59). The Western system does not account for this, and the difference in culture must be addressed in any judicial system for it to be successful.

6.3.3 Was the PSC viewed as legitimate by the Population?

The population of Afghanistan is well equipped to accept armed personnel. Geopolitically the state sits at the crossroads of cultures and has seen centuries of war. Its location and success at repelling foreigners as led to Afghanistan being called “the Graveyard of Empires.” Yet this history of warfare did not create a strong state. Unlike the European model of taxation which Charles Tilly highlights, the Afghan state relied upon mercenaries. While these were funded by tribute, taxes, and levies, this financial control was only centered around major cities (Barfield 2010, 4). More so, the reliance on farming and a pastoral way of life gave the villagers considerable freedom from the weak central governance (Barfield 2010, 32). The population has been able to retain relative autonomy and create a national myth that foreigners should, and can, be...
successfully expelled. Each decade has seen an invasion by a major power: the British in the 1800s, the Soviets in the 1900, and the Americans in the 2000s. Barfield’s *Afghanistan: A Cultural and Political History* points out that “Bin Laden himself was sure that if the United States invaded Afghanistan, it would provide a guerrilla war that would be a repeat of the one against the Soviets (Barfield 2010, 277).” This is not a new outlook. In 1867 the Viceroy of India, John Lawrence, recommended against any action in Afghanistan: “to try and control such a people is to court misfortune and calamity. The Afghan will bear poverty, insecurity of life; but he will not tolerate foreign rule. The moment he has a chance, he will rebel (Caldwell, *Vortex of Conflict: US Policy Towards Afghanistan, Pakistan, and Iraq* 2011, 34).”

So far the Afghan insurgency is only simmering, and the population is not fully engaged. Despite fraud, participations in elections are high. The population of Afghanistan seems eager to progress with their own life, their own country, without the meddling of outside invaders. However, there is also the goal of creating a stable, prosperous *Afghani* life which ordinary Afghans understand cannot be done while indigenous factions tear their country apart (Barfield 2010, 277). If a government can bring stabilization to the country, while maintaining an Afghani feel, the people are likely to grant such leadership legitimacy. Victory in war or through elections did not provide legitimacy in the eyes of the Afghani public; it only provided the *ability* to create a legitimate government. Legitimacy in Afghanistan is viewed by success, or the ends, rather than the means (Barfield 2010, 301). Karazi’s government was given that chance for legitimacy but may have squandered it. There has not been an influx of economic
relief for the populace, or any halting of corruption, and people have begun to lose faith (Emadi 2010, 234).

This “to the victor go the spoils” viewpoint is quite a shift from 2002. Faith and goodwill was lost not only with the Afghan government, but also with the United States as well. In 2002 the United States appeared to have run a successful mission in Afghanistan. The Taliban and al Qaeda were mostly expelled from Afghanistan. Congressman Dana Rohrabacher claims that 90% of the Afghan population was positively inclined towards the United States (Subcommittee on International Organizations, Human Rights, and Oversight 2010). How could the United States have gone from so close to success to have snatched defeat from the jaws of victory?

Most Afghani’s welcomed the intervention from American in 2001. They believed in the myth the United States provides that peace and economic prosperity and these would arrive with United States intervention (Emadi 2010, 204). When the American forces first arrived most people took a wait-and-see attitude. Perhaps the United States invasion would provide a way for the country to exit its ten year civil war. The major criticism from the populace was not that international troops were deployed in the country, but rather that not enough troops were deployed and they just focused on the capital city (Barfield 2010, 275). In the ten years since the initial invasion, American commanders complain of the lack of troops and neither peace nor economic prosperity has been achieved.

In Afghanistan: Aid, Armies & Empires, Peter Marsden finds the reason for the disillusionment of the Afghani public to be the failure to affect their daily lives (Marsden
While the overall situation improved in Afghanistan there are massive issues with calling this case a success. Schools were burned down, and power plants were created which then do not run. The evidence of poor governance and corruption are everywhere, reconstruction makes slow and limited progress, and there have been a slew of civilian deaths and human rights violations. The PSC-trained police cannot be considered a success as they are linked tightly with the local government officials through patriarchal ties, fond of extortion, and often perpetrators of criminal activity themselves (Marsden 2009, 163).

The creation of an elite class among the government and among international advisors (many of whom lived a lavish lifestyle compared to the Afghan population) raised anger as well (Marsden 2009, 131). While the United States has faced many failures, the Taliban were intelligent about winning the hearts and minds of the Afghani population. The promise of the Taliban has not simply been one of religion and eternal salivation, but also of a higher salary than the Afghan government offers, the provision of security and protection, and to solve daily problems within villages. While city officials are often corrupt, the Taliban has fielded honest agents with the good of the community in mind (Saikal 2010, 253). United States Senator McCaskill pointed out that the Taliban have been quick to resort to racketeering: “The Taliban has done so well in Afghanistan because they were providing police protection to impoverished communities many times through fear, many times through retribution (Ad Hoc Subcommittee on Contracting Oversight 2010).”

The expectations of the Afghani people for the performance and success of the international forces were something that should have been possible to achieve. The
Coalition was to provide a shield against anarchy. The troops were expected to keep warlords and militias in check and not allow the peace to be disrupted (Barfield 2010, 277). This clearly has also not occurred. Now the government agencies, namely the police, are part of the destabilizing challenges the citizens face. The violence faced by the citizenry takes shape on all sides: there is state-based violence against the insurgency, there is the corrupt police requiring bribes and extortion, there are tribes who seek to expand or maintain their influence, and warlords with their personal troops (Giustozzi and Ullah 2010, 134). The desires of the populace were simple: just maintain peace. This failed to be achieved.

Multiple private actors were involved in the rebuilding process in Afghanistan. NGOs were the most visible representation of the international aid as they worked directly with communities (Olson 2006). The Department of Defense, State, and USAID employed a large number of contractors (other American agencies do as well but in much smaller numbers.) International NGOs were present to provide humanitarian aid. And attached to most of these private deployments were contractors in charge of keeping the project and its people safe. If NGOs were sometimes mistaken for American government action by the local populace, the PSCs contracted for and working with the American military are all but indistinguishable. John Nagl and Richard Fontaine of the Center for New American Security phrased it aptly: “local populations draw little or no distinction between American troops and the contractors employed by them; an act committed by one can have the same effect on local or national opinion as an act carried out by the other (Committee on Armed Services 2010).” Afghan good will is clearly important to the Americans, even if the quest for hearts and minds is not always successful. A private
contractor, the Rendon Group, is reported to have received a $56 million dollar contract to improve the image of United States construction programs in Afghanistan (Emadi 2010, 233).

While some PSCs may be visually hard to distinguish from American troops, the Afghani people know that many of the guards and escorts are private contractors. The United Nations Working Group on the Use of Mercenaries found that Afghani’s feel that the use of PSCs are diverting much needed funds from reconstruction projects. The population would rather see projects funded than pay for Americans to man guard posts or transport caravans. As previously shown the cost to hire a locals or TCN is roughly 4% of that to employ an American. The population views this as a waste of funds. There is also a fear that PSCs are generating a “culture of war” (Prado, Impact in human rights of private military and security companies’ activities 2008). The services of a PSC flourish on conflict, they often exist outside of any judicial chain, and it is unclear to the population who has responsibility over these forces. This provides a view of contractors that do not appear much different from warlords. These perceptions are critically important. American General Stanley McChrystal noted that “the Afghan people will decide who wins this fight, and we . . . are in a struggle for their support.” United States Senator Carl Levin agreed: “If we are going to win that struggle, we need to know that our contractor personnel are adequately screened, supervised, and held accountable—because in the end the Afghan people will hold us responsible for their actions (Committee on Armed Services 2010).”

It is interesting to note the parallel between why warlords were not as firmly integrated into the new society and the challenges that PSCs have faced. Ultimately
warlords clashed with the ideology of tribalism within Afghanistan. Warlords had lack of interest in political ideology other than to provide resistance to control and needed to control territory to survive (Giustozzi and Ullah 2010, 142, 156). They had success until they were perceived as strangers to the local society, until their norms did not match the mythos the Afghani people were attempting to create. Once they lost respectability, the tribes banded against them (Giustozzi and Ullah 2010, 156). In a public-opinion poll (unsurprisingly run by a private contractor) warlords were viewed as one of the primary causes of insecurity (Jones 2009, 130). PSCs also lack that connection with civil society. Contractors achieved the same status as strangers to the local population by focusing only on protecting the project or personnel they were contracted to protect and not engaging with the local population. The idea of militias riding around in trucks with machine guns is familiar to the Afghani population. PSCs in Western uniforms and modernized equipment is different; it is a reminder that there is an occupation taking place, and foreign militias are involved, and taking jobs that many see as rightfully belonging to Afghans (Oversight and Investigations Subcommittee of the Committee on Armed Services 2009, 26). Testimony before the United States Senate in 2010 revealed that of the 26,000 PSC contractors in theater many of these firms contract with armed groups that operate outside of United States or Afghan government control. These actions conflict with United States counterinsurgency doctrine that strongly speaks out against militias. This doctrine states that militias are “obstacles to ending an insurgency” and claims they "constitute a long-term threat to law and order. (Committee on Armed Services 2010, ix)."
These two approaches are drastically different than those taken by the NGOs. Many of these private firms have been in theater for over twenty years, maintain strong and healthy relationships with the community, have their employees contracted for long tours within theater to maintain those personal relationships, and when staff does change they allow for a long overlap period between the departing and arriving employee (Storm and Innocent 2010). This is in stark comparison to the Provincial Reconstruction Teams, where soldiers and contractors often only have three or four days of overlap with incoming troops/contractors before departing the theater.

6.4 Conclusion

Since 2002 the United States and allies have been attempting to construct a stable democratic state in Afghanistan. Due to the inherent reliance of the United States military on contractors and the challenges faced from a fast deployment and war in two theaters, contractors have become a major part of the conflict in Afghanistan. Both the United States force and the International Security Assistance Force were supplemented by contractors. The deployment of contractors as a percent of the workforce reached highest ever for Department of Defense.

PSCs are an important and embedded part of the United States military, but in Afghanistan they face serious challenges with obeying the letter and ethics of the law. Not only is there crime but there is a system of subcontracting that allows money intended to assist with the reconstruction of Afghanistan to flow directly to the insurgency. Further, since PSCs are likely to pay for safe transport for supplies, the toll-taker mentality of the militias is strengthened by their actions.
The growth of state capacity in Afghanistan is certainly challenged. While private actors, be it humanitarian or security, could be of great assistance in theater they have instead provided grave challenges. The biggest of these is the influx of money directly into Afghanistan without government oversight or control. Rather than using incoming funds as a way to strengthen and incorporate the Afghani government, private firms have chosen to control the money themselves and work without government oversight or involvement.

Considering the immense graft within the Afghan government it is unsurprising that private firms wish to avoid collaboration. However the ultimate goal needs to be the growth of state capacity. The state needs to both control the money which flows into its borders that is earmarked for its development, and stop being horrifically corrupt. A poor country will not be successfully rebuilt when its people are paying billions in bribes to their own government. The Afghan government must lead its own development otherwise the international community will be unable to leave.

This idea of self-reliance applies to security as well. The international community, and especially the United States, places a great emphasis on training the Afghan army and police force. No matter the success (or failures) of the contractors that have been hired to train these forces, the resources to allow for their success after the United States withdraws are simply not present. Afghanistan does not have the money to fund the projects that are being created for it. To continue with the car analogy, it doesn’t matter if the United States provides a Lamborghini or a clunker, if the Afghan government cannot buy gas, the car is simply a useless hunk of metal. That is the situation that will be faced if the international community withdraws.
With that said, the police force in Afghanistan is a disaster. Despite all the effort put in, not a single police unit can currently be deployed without support from the international coalition. The rule of law is not prevalent in the state, and there is not a justice system to support the contractor-trained police. If institutions are to be built through private force than PSCs should not simply be training the police, but also training judges and building jails. No matter the amount of training, police cannot operate in a vacuum. If the police are not able to protect the civilian population, the United States exit strategy may be compromised.
Chapter 7: Summary, Findings, and Looking Forward
Applying the Lessons Learned to Iraq

*The president must remember that the military is a special instrument. It is lethal, and it is meant to be. It is not a civilian police force. It is not a political referee. And it is most certainly not designed to build a civilian society.*

Condoleezza Rice, Foreign Affairs

7.1 The Case Studies

This concluding case study summarizes the previous findings to see whether the United States was able to learn from the state-building missions in Croatia, Bosnia and Herzegovina, and Afghanistan and project those lessons into Iraq. Iraq represents a much more complicated contractor deployment than the earlier cases. While Bosnia and Herzegovina, Afghanistan, and Iraq all reached at least a 1:1 contractor to military deployment, the relationship between contractors, the sender state, and the host state was different in each case (Schwartz and Swain, Department of Defense Contractors in Afghanistan and Iraq: Background and Analysis 2011). For most of the period of reconstruction in Iraq, there was not a separate government for the United States and the distinction between host state and sender state becomes blurred. Many of the initial decisions concerning the direction of contracting took place while the CPA (a United States creation led by a United States official) was directing governance in Iraq. Thus, in this case, the sender state and the host state were virtually the same thing. While this difference excluded Iraq from being a full case study, it is still possible to apply the framework and view changes in capacity. Not only will capacity in Iraq not increase, this
chapter will show that the lessons learned in Croatia, Bosnia and Herzegovina, and Afghanistan failed to be carried over or applied in Iraq.

When observing state-employed private contractors in post-conflict reconstruction, there are three main actors that take prominence: the host state, the sender state and the PSCs. The first section of each case study (x.1) explored these three actors and introduced the history and contracts in question. The second section focused on the actions of the states in question and on the question of whether the capacity of the state improved due to the involvement of the PSC. The first subsection (x.2.1) asked if the host and/or the sending state intentionally deployed the PSC or was the contracting done on an ad hoc basis. If the PSC was intentionally deployed, then the firm should have a higher probability of increasing state capacity. The second subsection (x.2.2) focused on the core capacity of the host state by examining whether the state’s control of governance increased while the PSC was in-theater (x.2.2.1) and whether the state was able to provide basic services while the PSC was in-theater (x.2.2.2). The next section (x.3) focused on the actions of the private firm, by exploring three main questions to view the PSC’s effect on the state. These subsections looked at if the PSC was involved with building, not replacing, institutions (x.3.1), if the PSC was subject to the rule of law (x.3.2), and if the PSC was considered legitimate by the population (x.3.3). By examining these two overarching snapshots of change in the host state, it should be possible to estimate the effect of the PSC on the growth of state capacity.
7.2 The Actions of States

7.2.1 Was the PSC Intentionally Deployed?

Every PSC ends up in-theater for a reason. The difference being studied is whether the contract was awarded due to advance planning or due to unforeseen circumstances that arose in-theater. For example, in Croatia the actions of MPRI were discussed by both the host and sender state and the contractors were deployed with the approval of both. In Afghanistan many contracts have developed on an ad hoc basis when the military discovered a lack of ability in an area. This area of inquiry also includes whether the decisions to deploy were deliberate at the state level or controlled by individuals within the bureaucracy. To continue with Croatia and Afghanistan as examples, PSC deployment in Croatia was a state-level decision achieved by diplomats and other high level officers, while contracting in Afghanistan often took place through contracting officers within the Department of Defense that lacked communication with the broader United States bureaucracy and the Afghan government.

Croatia provides a clear example of a PSC being intentionally deployed. Zagreb was seriously motivated to integrate with Washington as the Yugoslav wars unfolded. The state needed a stronger military to match to the growing threat from Serbia, as well as to oppress internal discord from native Serbs within Croatia. For the United States, having Croatia as an ally in the Yugoslav theater was intended to balance the Serbian threat and allow Washington to continue its Cold War policy of being active by proxy. In order for these goals to be achieved, Zagreb needed assistance. The United Nations embargo (which had been put forth originally by the United States) prevented the United States from offering direct aid, and thus it recommended that MPRI (a United States PSC
which boasts of having more generals per square foot than the Pentagon) would be hired to modernize the Croatian armed forces. MPRI’s activity in Croatia was initially conservative in size, with a United States State Department contract to provide border guards within Croatia to monitor the sanctions placed against Serbia (Shearer 1998, 58) (Zarate 1998, 105). This contract alerted Zagreb to MPRI’s existence and soon they negotiated with the United States to be able to request MPRI’s services directly (Zarate 1998, 106). These negotiations led to the Long-Range Management Program (which focused on modernizing and Westernizing Croat forces, providing long-term strategic improvements, and meeting the admission criteria for NATO’s Partnership for Peace (Shearer 1998, 58) and the Democracy Transition Assistance Program (which focused on democratizing the military, introducing a noncommissioned officer corps, training and general management, and basic officer leadership skills (Isenberg, MPRI Couldn't Read Minds: Let's Sue Them 2010).)

The case of Bosnia is slightly more complicated, but still shows that the PSCs were deployed with a plan and clear intent. Two contracts were clearly deliberate, whereas one (Brown and Root’s LOGCAP contract) had the flexibility to undertake new tasks in-theater. Bosnia was one of the first deployments where the LOGCAP was used as an umbrella contract to handle logistical support for United States deployed soldiers (Soast 1996). An example of this ad hoc contracting occurred when the army failed to provide the personnel to operate water purification units that it had installed. Brown & Root adjusted and took on the job (Palmer 1991). This adaptability is critical for the Army, but the sender state exporting jobs to private firms does not increase the capacity of the host state. In addition, the trade-off for flexibility is that it removes deliberation
and control from the sender state. Yet LOGCAP was far from a purely ad hoc contract that was hastily thrown together. This massive contract involved intense planning, and required that the company was prepared to support a United States deployment with little notice. While the examined LOGCAP contract had the ability to undertake small ad hoc contracts, its overall focus was on the pre-assigned logistical support for the military.

Bosnia’s other two contracts were not ad hoc in nature. The first was a training mission much like that in Croatia. Washington believed that strengthening the Bosnian Federation’s military capabilities would balance against Bosnian Serb aggression. If a balance of power could be achieved, peace would be possible. In order to achieve these goals the Dayton Peace Accords commanded the Bosnian Serbs to de-arm, while MPRI trained the Bosnian Federations military to Western standards (Thompson, Bosnia: Generals for Hire 1996). These goals were clearly expressed during the negotiations for the Dayton Peace Accords with the idea that a trained military with modern weapons would deter future aggression and provide peace in the region (Zarate 1998, 110). While the Republika Srpska did not end up complying with the orders to demilitarize, the MPRI training of Bosniaks complied with the treaty (United States Government Accountability Office 2007). It was not simply MPRI’s involvement that encouraged Bosnia and Herzegovina’s compliance but rather a desire to ally the West and enjoy the benefits that such an alliance offered. For the Croatian government, MPRI’s training was seen as a route to join the European Union and the training was much desired by Bosnia and Herzegovina. Having a Western style military was perceived as a “club good,” and something needed to be considered for NATO membership.
The third contract active in Bosnia and Herzegovina was with the International Police Force (IPTF). The United States does not maintain a federal policing force that can be deployed on international peacekeeping missions, so PSC contracts have become the “standard” way for the United States to provide CIVPOL support. DynCorp was the United States contribution to the United Nations’ police force that was intended to advise, train, and support the Bosnia and Herzegovina police. While the DynCorp IPTF deployment ended up having significant disciplinary problems that outweighed much of the good it may have achieved, the decision to use contractors was intentional by the United States as a way to support the United Nations Mission in Bosnia and Herzegovina.

LOGCAP was also active in Afghanistan, yet overwhelmingly little long-term planning or deliberation went into these PSC deployments. This lack of intention was so noticeable that it has been mentioned in multiple congressional hearings and in the United States government’s own reports. One report found that the Department of Defense’s increased reliance on contractors in Afghanistan came from “the result of thousands of individual decisions” rather than any intentional process (United States Government Accountability Office 2009). One of the primary reasons for this lack of organization was dichotomy between the slowness with which troops were deployed in conjunction with how quickly the war effort engaged. Only 10,000 troops were in Afghanistan within the first year of the deployment, but it remained the United States goal to take down the Taliban with all due speed (Caldwell, Vortex of Conflict: US Policy Towards Afghanistan, Pakistan, and Iraq 2011, 173). This push, coupled with the desire to maintain a light footprint, forced the United States to turn not only to PSCs, but also to local militias. The war in Afghanistan became civilianized. It was not just the
Department of Defense that was overwhelmed with projects; the State Department simply lacked the staff to complete the tasks they were assigned and was forced to turn to PSCs to fill in gaps (Oversight and Investigations Subcommittee 2009). The staff shortage also affected the oversight of PSCs. The Department of Defense’s contracting officers are often not located within country and are severely overworked. There is also no effective central reporting for the employment of contractors (although a program named SPOT, or Synchronized Predeployment and Operational Tracker, has been introduced to attempt to solve this problem.) This disorganization was so notable that when the Government Accountability Office requested to know how many contractors the United States employed in Afghanistan the Department of Defense, the State Department, and USAID were all unable to provide that information (United States Government Accountability Office 2009).

Deficiencies in planning for Iraq were even worse than Afghanistan. Early forecasts by the Department of Defense claimed that it would take upwards of 500,000 soldiers to secure Iraq. In a Senate Armed Services committee hearing, General Eric Shinseki’s argument for a larger deployment force was highlighted by his plea for more troops; he said “a significant ground-force presence [is required] to maintain a safe and secure environment, to ensure that people are fed, that water is distributed, all the normal responsibilities that go along with a situation like this.” It was ultimately the Secretary of Defense’s decision, and he overruled Shinseki to go with a lighter, more mobile force of 100,000 troops (Krahmann, States, Citizens, and the Privatization of Security 2010, 199). The invasion of Iraq was successful and quick with the smaller number of troops, but the reconstruction efforts were hampered by a shortage of personnel. Even though the
United States faced world-wide opposition and was opposed by the United Nations, the Coalition forces were able to overthrow Saddam Hussein within three weeks (Beebe and Kaldor 2010, 52). What came next proved challenging. The government of Iraq collapsed. Sectarian violence erupted. Ministries were non-existent. Once the decision was made not to enlarge the number of troops the United States had in Iraq, governmental agencies turned to PSCs for assistance (Krahmann, States, Citizens, and the Privatization of Security 2010, 200).

The LOGCAP contract requires that PSCs be involved in the planning process for Army deployments so the firms can support United States troops (United States Government Accountability Office 2004, i). Yet in a scathing hearing by the Committee of Government Reform, Congressmen Tierney pointed out that Army Central Command did not begin LOGCAP planning to support the troops until May 2003. (The invasion of Iraq took place in March 2003.) This means that essentials of life, such as meals, water, housing, and base support, were not given advance planning, nor was the contractor in charge of these aspects given direction or oversight on how such should be handled44 (Committee on Government Reform 2004, 565).

This lack of planning and direction becomes especially disconcerting when the Government Accountability Office reported that the Army authorized a LOGCAP contract worth $587 million to Halliburton in approximately 10 minutes with only six pages of supporting documentation (Committee on Government Reform 2004, 9). The

44 Congressman Tierney also expressed irritation that the administration had requested that contractors be prepared to support Iraq’s oil infrastructure and that those plans were fully in place drastically before plans to actually support the troops were underway.
problem has not been a lack of contractors in theater, but rather the absence of effective planning and oversight. Both Brigadier General Robert Crear (who was in charge of Task Force Restore Iraqi Oil) and COO of KBR Al Neffgen confirmed that contractors entered the warzone on the heels of United States troops (Committee on Government Reform 2004, 272). Despite the lack of required planning, KBR provided logistical support as the army secured Iraq (Committee on Government Reform 2004, 507). Once troops arrived in Baghdad, more problems arose. In an interview a former Office for Reconstruction and Humanitarian Assistance (ORHA) staff member described the situation of attempting governance: “There was no pre-planning done to address the civil administration needs. There was an assumption that Iraqis who normally took care of such things would continue to do so. When they didn’t, there was no plan in place on how to make these civil administration tasks happen. (Special Inspector General for Iraq Reconstruction 2007, 26).” American planners had an idealized sense of modernization theory which would lead Iraq smoothly from war to recovery to stability. The fighting would be quick, humanitarian aid would flow to the population, and institutions would quickly be restored (Special Inspector General for Iraq Reconstruction 2007, 23).

In planning for postconflict operations, senior Department of Defense (DOD) officials assumed that coalition forces would inherit a fully functioning state with its institutions intact. They believed the Iraqis would welcome U.S. troops as liberators and join coalition forces in quickly neutralizing the Baath Party, Saddam’s security services, and other opponents of the new order. Gen. (ret.) Jay Garner and the staff of the Pentagon’s Office of Humanitarian and Reconstruction Affairs (ORHA) presumed the Iraqi police and the regular Iraqi army would remain on duty, assume responsibility for security, and maintain public order. (R. M. Perito 2005, 3).
Therefore, the first focus of the reconstruction was to resume basic services and have Iraq be able to pay for this infrastructure. It was assumed that, if the oil revenues could be restored, Iraq would be able to become self-supporting and pay for much of its own reconstruction (Special Inspector General for Iraq Reconstruction 2007, 23). These unrealistic goals shaped the reconstructions early planning.

The Special Inspector General for Iraq Reconstruction (SIGIR) has continually been critical of the lack of planning and oversight for contractor deployments in Iraq. The start of the occupation was no different, as SIGIR found that the Department of Defense did not have proper funding, support, or administrators to support the senior advisors and activities with the Iraqi ministries (Special Inspector General for Iraq Reconstruction 2007, 26). ORHA did not fare much better. SIGIR found a lack of communication between the agencies that the caretaker government oversaw, different ideas of what should occur during reconstruction, duplicated efforts, and confusion about responsibility of projects (Special Inspector General for Iraq Reconstruction 2007, 34). It was under this umbrella that the United States began the absolutely massive contractor-supported reconstruction of Iraq. By 2010 the cost of the reconstruction had reached $53 billion. SIGIR found that the cause of project failure (including contracts) was not poor leadership or a scarcity of resources, but rather a lack of oversight and strong management (Special Inspector General for Iraq Reconstruction 2010, 23). The ad hoc nature of these contracts made it difficult to build state capacity.

In his capacity as Chairman for the Senate Committee on Homeland Security and Governmental Affairs, Senator Lieberman questioned this lack of management, and especially the hurry-up-and-wait nature of these contracts. While waiting may be an
expected part of military culture, it is this “use only as needed” aspect of PSCs that makes them appealing for purposes of cost. Yet in 2004 at least 12 large contracts were signed and the contractors sent to Iraq. Once in Iraq the contractors waited for months for the specifics of their projects and billed the United States for the time they spent waiting in theater. KBR spent nine months waiting for orders. That enforced downtime wasted $52.7 million that was spent on salaries, housing, food and other administrative costs (Committee on Homeland Security and Governmental Affairs 2007, 4). This lack of management and oversight continued throughout the occupation. Secretary Gates spoke truth when he said: “Contracting in Iraq was done willy-nilly.” (Special Inspector General for Iraq Reconstruction 2010, 17).

It was not only the United States government which was struggling to adapt to the challenges of Iraq; true to the spirit of capitalism American firms formed quickly to leap on the lucrative contracts being offered to private security companies. These new firms were not always successful. Custer Battles is the most prominent example of a new firm that did not succeed at building capacity or upholding the law. The firm came into being with no experience in the security industry and was only in existence for nine months before landing its first $16 million contract. It won the contract by promising to have guards on the ground faster than the more established firms (Isenberg, Shadow Force: Private Security Contractors in Iraq 2009, 87). The story of Iraq demonstrated that quicker is not always better, and rushed projects face serious shortcomings.

The Iraqi police provide an excellent example of how intentional deployment and pre-planning choices affected state capacity. While the police are covered in more detail later, it is important to note that the Justice Department asked for thousands of American
police trainers (contractors) to be present in Iraq when the occupation began. The proposal was dismissed as unnecessary (Isenberg, Shadow Force: Private Security Contractors in Iraq 2009, 92). There was the assumption that Iraqi government ministries would be left intact. This was not the case, and there was thus no way to keep order in the streets. There was no international police force, nor where their police trainers ready to assist with the creation of a new police force (R. M. Perito 2005, 4). The Justice Department again suggested police trainers, and lowered the number requested to make the contract more likely. DynCorp claimed they had police trainers ready to deploy (Isenberg, Shadow Force: Private Security Contractors in Iraq 2009, 92). This option was not taken. It was only in 2006, the so-called Year of the Police, that the Pentagon contracted DynCorp to train and mentor the Iraqi police (Isenberg, Shadow Force: Private Security Contractors in Iraq 2009, 92 - 93).

It would be delightful to say that lessons had been learned from Croatia, Bosnia and Herzegovina, Afghanistan, or Iraq. However, the same mistakes are repeated over and over. The lack of planning, poor management, and lack of oversight that lead to fraud and waste continue to be major problems. The year 2012, however, represents the start of a new era in Iraq. The Department of Defense has drastically withdrawn from Iraq, leaving only a small number of United States troops behind.45 Now the State

45 The United States President has been very clear he intends to remove all troops by the end of 2011 (The White House 2011). In 2012 the Brookings Institution reports that all troops have left except for an unspecified number to guard facilities such as the United States embassy (O’Hanlon and Livingston 2012). However, this is highly contested. Commissioner Michael J. Thibault’s September 2010 testimony to the House of Representatives claims that 400 to 500 troops will remain in Iraq after the withdrawal (Committee on Oversight and Government Reform 2010). The New York Times has reported that 160 United States military personnel would remain in Iraq to guard embassies (Landler 2011), but their main country page (updated in Feb 2012) reports that “the military still has two bases in Iraq and roughly 4,000 troops (The New York Times 2012).” CNN reports that roughly 1000 troops remain (Basu 2011). The United States
Department has center stage. The Wartime Contracting Commission estimates that the State Department will have to double the number of contractors currently in Iraq to be able to maintain their mission objectives, provide security for themselves, provide convoy security, and other required tasks (Committee on Oversight and Government Reform 2010, 2). Perhaps the lessons seen in these four cases will finally be applied.

Overall findings for 7.2.1:

These cases show a clear progression from deliberately planning contractor deployments to simply contracting for problems as they unfold. In Croatia the contracts were handled through negotiations between the United States and Croatia. In Bosnia the contracts either matched the Croatia training programs, was a pre-existing contract waiting for a United States deployment (LOGCAP), or as a replacement for a part of the United States military machine that does not exist (a national, internationally deployable, police force.) In Afghanistan LOGCAP was still active, but many more of the contracts became focused on ad hoc issues, and individual contracting officers were often in charge of large contracting decisions. These officers were understaffed, under-supported, and often operating from out-of-theater (i.e.: Tampa, FL) with limited information. Iraq continues this slide with its increased number of ad hoc contracting, lack of oversight, and miscommunication between United States agencies. This sliding scale of intentional planning matches how successful PSCs have been at increasing capacity.

Diplomatic personnel in Iraq are estimated to be 1,600. The Wartime Contracting Commission indicates that contractors will guard the United States embassy, causing the State Department to move from employing 2,000 contractors to 7,000. The Commission worries about security projects closing at the embassy (like troops returning fire on insurgents who fire mortars into the compound) with the United States troop withdrawal (Committee on Oversight and Government Reform 2010). Contractors are, of course, still present.
When discussing intentionality, it is also important to consider the motivations of the host state. Successful reconstruction also depends on the willingness of the host state to build capacity. In Croatia the carrot of EU membership awaited the state. The EU (especially Germany) was involved in the discussions for peace, and in 2004 Croatia’s efforts would be rewarded by being a candidate for EU membership. Bosnia and Herzegovina also desired inclusion, and has become a defacto protectorate of the EU. Iraq and Afghanistan have no desire to be included in these Western organizations, nor do these states share the same historical legacy as the countries in charge of their reconstruction. Further, while the United States was operating as an ally in the case of Croatia and Bosnia and Herzegovina, it is an occupying force in Iraq and Afghanistan. The motivations of the host state to cooperate and support reconstruction and building a Western-style state capacity are wildly divergent.

<table>
<thead>
<tr>
<th>Was the PSC Intentionally Deployed?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Croatia: Strong Yes</td>
</tr>
</tbody>
</table>

7.2.2 The Effect on Capacity

7.2.2.1 Did the State’s Control of Governance Increase?

Croatia saw a clear increase in the state’s control of governance due to the involvement of a PSC. MPRI’s training of the military left the state in control of its territory and assisted in centralizing power by creating a capable fighting force firmly under the command of the executive branch. As state capacity increased, President
Tudjman moved from the role of a democratically elected president towards a more authoritarian rule with interests in cementing his party’s and ethnicity’s power. This study, however, does not look at regime type, only the state capacity. In much the same vein, MPRI was not hired to democratize Croatia or its military, rather they were hired to modernize the armed forces. This matched with the plan of the United States to provide “peace from above,” to produce capable governance by creating strong, powerful institutions that thus increase state capacity (Uesseler 2008, 219). There was, perhaps, a missed opportunity here in which MPRI could have incorporated norms of democratic governance rather than just focusing on military reform.

Attempts by United States driven democratic reform may not have been possible. Croatia stands unique in that Zagreb (with Washington’s permission) approached MPRI directly and the contracts that affected capacity were signed by the hosting government (Uesseler 2008, 219). MPRI achieved great success in increasing the Croatian state’s capacity. The military, perhaps the most important institution for capacity building, was dramatically strengthened. In addition, MPRI’s involvement gave the appearance that the United States supported Tudjman. This increased the legitimacy of the régime as well, even as unethical actions took place in the region.

Bosnia and Herzegovina’s capacity increased during the period in private security was active within the state. However, since the state was undergoing a civil war, the starting point for building capacity was very low. While capacity improved, Bosnia and Herzegovina did not become a strong state, ranking as the 22nd most failed state in the 2005 Foreign Policy Failed State Index (Fund for Peace 2005). The actions of IGOs, NGOs, and states (often using PSCs as their tools) shaped Bosnia and Herzegovina’s
course throughout the war and helped increase its state capacity. Bosnia and Herzegovina’s overall capacity is lower than Croatia’s and is still dependant on external involvement to ensure smooth governance. This reliance on outside funding (and external security) influenced the development of the country. If donors had removed their assistance, the state would likely have collapsed and the Bosnian War could have resumed. This assured that donors had some say in policies, and thus decreased state capacity through clientelism.

For the ten years after the Bosnian War the most generous term that could be granted to Bosnia and Herzegovina’s governance was “quasi-protectorate,” as all aspects of governance were overseen by an appointed European Union official. The High Representative was able to remove officials (elected or otherwise), appointed civil servants, create legislation, run the police, and handle negotiations with powerful IGOs such as the World Bank (Chandler 2010, 114) (Office of the High Representative 1997). The state has two separate autonomous government systems, and the fundamentals of statehood (such as the rights of each ethnic group, to the territorial boundaries of the political communities, and even who has the right to citizenship) are still under discussion (Belloni 2007, 4). Political institutions remain divided as the ethno-political landscape has changed little since the end of the war. Elections occur along ethnic divides ensuring that officials at every level are involved with ethnic politics. The economy was rife with organized crime, and all aspects of it are xenophobic (Serbian companies hire Serbs, etc) (Belloni 2007, 18). A system of rent-seeking behavior was created by awarding public projects to the people already in power (many of whom are responsible for the war in the first place) (Toal and Dahlman 2011, 234).
Private force successfully increased capacity in Bosnia and Herzegovina. Despite the criminal enterprise that DynCorp engaged in while training the Bosnia and Herzegovina police, the police force was strengthened as an institution. Before the IPTF became involved with training the police, many who chose to become police officers were not trained in civilian policing, nor did they have the basic resources (such as buildings) to succeed at their task (United Nations Department of Public Information 1999). It was important to strengthen the police as a civil institution rather than as part of the military. At the same time, the military was being strengthened by similar Train and Equip programs as were seen in Croatia. Not only did these programs modernize (and Westernize) Bosnia and Herzegovina’s military, but they also created an environment in which Croats and Bosniaks were working together and overcoming ethnic tension (Wilkinson, Bosnia's Army of Strange Bedfellows 1997).

There is no success story in Afghanistan; foreign private assistance weakened the state. Karazi has not managed to increase state capacity by being a strong leader; rather he was viewed as a puppet, or extension, of the United States (Barfield 2010, 342). While Bosnia and Herzegovina faced difficulty in emerging from being a quasi-protectorate of the European Union, Afghanistan has simply not successfully made that journey. Karazi has been unsuccessful in seeking to increase the control of the central government, but not due to a desire to strengthen the state or its institutions. Rather, Karazi has been accused of running the government as if its power and all assets were simply an extension of himself (Barfield 2010, 304). The level of graft, nepotism, and
cronyism throughout the Afghanistan government is extremely high. This has had a direct affect on how PSCs interact with the state, and how these firms have influenced the capacity of the state.

Western forces and contractors in Afghanistan have learned that avoiding the central government is beneficial to the completion of projects and increasing local stability. Tribal and regional leaders were consulted and bargained with (Barfield 2010, 339). This, of course, erodes state capacity by defusing the power from the center and removing Kabul’s decision making ability. In the same vein, international donors stopped funneling money through Kabul and began funding projects (and thus PSCs) directly. This allowed these donors direct control over the funds and the contracts, and avoided the graft and waste that Kabul has become famous for (Committee on Foreign Relations 2011). While this direct dispersal of funds saw an increase of funds go directly to Afghani projects, it undermined the growth of state capacity. Kabul will not become self reliant while external agents are running Afghanistan without the governments input. Increasing capacity is about increasing institutional power. PSCs were hired to do tasks that the leadership of the Afghan government feels capable of undertaking itself. Further, one of the underlying purposes of these contracts was to move Afghanistan away from tribal-based governance to a Western, democratic, system which is, of course, opposed by the entrenched leadership. Further, the Afghani state could undertake many of these projects for less money, and state control over rebuilding and infrastructure projects

46 While outside of the scope of this study, it is worth noting the futility of attempting to impress a Western-style governance system on a tribal society. Karazi’s actions are stereotypical of a leader in a tribe-based society. Tribalism, regardless of where it exists, operates in a manner that centers power on the individual, rather than a distributed administration or shared system of governance.
would increase capacity (Olson 2006). This direct control by the host state became improbable after Kabul lost the trust of the international community, who now contracts directly rather than have their money “misappropriated” by the graft within the governmental system. Another problem with the way PSCs were handled in Afghanistan comes from the subcontracting to TCNs. Afghanistan has suffered from high unemployment throughout the war, and many of these PSC contracts create positions which many Afghans would be qualified for (such as security guards.) (Trofimov, World News: Afghans Begin to Disarm Private Security Firms 2010).

As in Bosnia and Herzegovina and Afghanistan, Iraq came out of the war with a new government. However, in Bosnia and Herzegovina the country's new found independence naturally required the creation of multiple new ministries and a system of governance which incorporated all three ethnic groups. Bosnia and Herzegovina has a historical connection and national myth tying them to the Kingdom of Bosnia; Afghanistan never had a culture of strong central governance. In Iraq the governance of the state was firmly established before the United States-led invasion. As discussed in the previous section there was an assumption that the Iraq ministries would remain functional and that after the humanitarian crisis was over it would be possible for Iraq to return to the business as usual of governance. On top of the reasons of war, conflict, destruction, Iraq government was slow to rebuild and increase state capacity, due to two major events.

One of the first roadblocks to reconstruction involved the handling of the Iraqi army. When the Coalition force invaded Baghdad, the Iraqi Army was petitioned by the United States troops (through fliers) to remove their uniforms and go home in peace.
Many obliged. When the CPA disbanded the army, not only was governance weakened by removing a strong institution, but the very people who stepped out of the way to let Coalition troops enter were now out of a job. This led to an increase of impoverished individuals with weapons (Beebe and Kaldor 2010, 55). The second event that drastically undermined future governance was the removal of every member of the Ba’ath Party from governance. Membership in the Ba’ath Party was a requirement to hold prominent position within the government of Saddam Hussein’s Iraq. This means that every experienced, government official – regardless of their view on the invasion and their true loyalty to the Ba’ath Party (or if they were just willing to be part of the Party to be employed) – were dismissed from service, robbing the future government of capable personnel (Beebe and Kaldor 2010, 55).

The post Saddam Hussein government was first overseen by the Office for Reconstruction and Humanitarian Assistance (ORHA) before transitioning to the Coalition Provisional Authority (CPA) shortly after the invasion. The ORHA had been primarily created to handle humanitarian crisis but, directly after the war, there was not a large number of refugees or a general famine. The primary need the people had of their government was to provide basic services such as water, electric, trash, etc. When ORHA could not oversee these tasks, various other organizations (such as the Department of Defense, Department of State, USAID) overstretched their authority to find (often times contracted) solutions (Special Inspector General for Iraq Reconstruction 2007, 35). The CPA inherited a system that was already splintering and turning to contractors for answers.
The CPA was intended to be an interim solution until the Iraqi government could establish democratic control over governance and reconstruction. The CPA’s goals were to create “a unified and stable, democratic Iraq that provides effective and representative government for the Iraqi people; is underpinned by new and protected freedoms and a growing market economy; is able to defend itself but no longer poses a threat to its neighbors or international security.” (Special Inspector General for Iraq Reconstruction 2011, 1). The CPA was created from diverse individuals which “included U.S. and coalition military personnel, U.S. and coalition civilian employees, contractors, civilians hired under special authorities, and Iraqi expatriates from the Iraq Reconstruction and Development Council (IRDC) (United States General Accounting Office 2004, 37).” The deputy head of the CPA’s Washington’s office noted that it was exceedingly difficult to track who was assisting with the CPA’s duties: “We never got a good grip of how many people were in CPA. Sometimes people simply showed up in Baghdad. And sometimes people just left (Dobbins, et al. 2009, 24).”

After the transition to Iraqi control, governance was still a challenge. The Iraqi Interim Government, Iraqi Transitional Government, and the permanent government headed by Al Maliki have all faced ministerial weakness. The most notable of the failed ministries is the Ministry of the Interior. The Commission on the Security Forces of Iraq found that it was “widely regarded as being dysfunctional and sectarian, and suffers from ineffective leadership. (Independent Commission on the Security Forces of Iraq 2007, 10).” The ministry has been accused of corruption, fraud, and sectarianism that have destroyed its ability to accomplish its tasks. This has undermined its workings with the police, border guards, and facilities protection services. As seen in Afghanistan, the
members of the various security services have loyalties to individuals, tribes, and political parties that often trump their feudally to the ministry of the. (Independent Commission on the Security Forces of Iraq 2007, 17). Having such a pivotal ministry fail creates difficulty in providing governance.

Security has been a continuing challenge for the governance of Iraq. The army had to be rebuilt, the police were in a worse state than those in Afghanistan, and sectarian violence plagues the security culture. Security forces indulge in sectarian abuses, and the justice system does not provide an even playing field for those of different religions, ethnicities, or political parties (United States Government Accountability Office 2007, 12). Justice is not blind in Iraq. Non-Shi’a Iraqi’s (especially Sunnis) have been targeted by policing forces due to their religious identity and subjected to arbitrary arrest, prolonged detention without due process, targeted executions, and torture (United States Government Accountability Office 2007, 44). This is true in the military as well, and becomes a problem with opposing militias. The military often has overlap and ties with Shi’a militias that make those militias hard to contain. Tribal and sectarian loyalties are often stronger than loyalty to the Iraqi government (United States Government Accountability Office 2007, 42). Then there is, of course, the affect of the non-governmental violence:

Terrorist groups including al Qaeda are at war to achieve their goal of establishing an Islamic caliphate in Iraq. In Baghdad, the political, cultural, and economic epicenter of Iraq, the security situation is characterized by ethno-sectarian struggle and rampant criminal activity. The situation is complicated by the violence incited by terrorists, militias, and religious extremists who seek to inflame sectarian tensions, destabilize the government, and influence public opinion, particularly in the United States.
Even if the military were free of sectarian struggles, the overarching commands from the government are not. Political intervention has been a force in tactical and operational decisions, and some of those have resulted in actions to benefit sectarian interests (United States Government Accountability Office 2007, 12).

Iraq elections have been surprisingly smooth. Once elected, minority parties report that they are able to participate in the lawmaking process without physical intimidation, their rights are protected, they are allowed to speak and present laws to Parliament (United States Government Accountability Office 2007, 62). One of the unresolved concerns has been the vote of displaced people and refuges (United States Government Accountability Office 2007, 32). By July 2007 there were over a million internally displaced people, and 1.8 million displaced into surrounding countries (United States Government Accountability Office 2007, 53). The first elections in 2005 were boycotted by the Sunni. This drastically affected their chances of winning representation, leaving them with only 1 spot on the 51 seat Baghdad provincial council (Katzman, Iraq: Politics, Governance, and Human Rights 2012). This was true in the provinces as well. There were districts with majority Sunni populations where Shi’a and Kurds were elected as a majority to the provincial councils due to the boycotts (United States Government Accountability Office 2007, 31). There were calls for a recall of the election, but the United Nation’s adviser to Iraq’s election commission, Craig Jenness, found no reason to re-run the election (BBC News 2005).

Overall findings for 7.2.2.1:
Croatia and Bosnia and Herzegovina both showed an increase in state capacity while PSCs were active within their borders. In both cases the PSCs were tools for the United States to help strengthen institutions. In the Croatian case the PSCs worked with Zagreb directly to ensure the objectives desired by the state were achieved. In the case of Bosnia and Herzegovina the PSCs were directed by Washington with Sarajevo’s involvement. PSCs were focused on building institutions to make the newly rebuilt government possible and stable. In Afghanistan PSCs were often hired directly with no conversations with Kabul to avoid graft. PSCs often ended up replacing institutions rather than training them, and worked on a local-level rather than on a country-wide level.

<table>
<thead>
<tr>
<th>Did the State’s Control of Governance Increase while PSCs were active?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Croatia: Yes</td>
</tr>
</tbody>
</table>

7.2.2.2 Does the State Provide Basic Services?

When determining whether a state provided services to their population, Croatia has an unfair advantage over the other cases. Croatia’s infrastructure was not destroyed by war; governance of the state was not overthrown, and basic services in the capital were not interrupted. Therefore the best way to look at change within the Croat state and the provision of basic services is by looking at how it adapted to a democratic election cycle. The elections have been a partial success in that they occurred without harassment
of the electorate, but they have not been fair due to the domineering strength of the executive branch and its state controlled media (Markovich 1998, 84) (Organization for Security and Co-operation in Europe 1997). Additional challenges that the OSCE noted were focused on equal resources for the candidates (finding a way to balance finances spent on the campaign, media access, advertising access, etc) and the inclusion of observers (Organization for Security and Co-operation in Europe 1997). A true failure in the electoral system took place in 1996 when Tudjman’s party (HDZ) lost Zagreb’s mayoral election. Tudjman vetoed the elected mayor’s appointment, as well as that of several replacement candidates, and placed his own party member in as mayor despite election results to the contrary (Markovich 1998, 85). While Croatia was providing elections, they were flawed and the results were not always obeyed.

Bosnia and Herzegovina also faced difficulty with elections as the results were ethnically driven. The European Union High Representative removed elected officials who were taking actions viewed as leading Bosnia and Herzegovina again to war. Bosnia and Herzegovina’s provision of services came through international donors as PSCs were contracted to integrate and modernize the military and police forces. Bosnia and Herzegovina were unable to provide basic services to its population at the end of the war. International force of will dictated the terms of peace for Bosnia and Herzegovina. The state recovered slowly, and services began to be provided, but these events were externally enforced (Belloni 2007, 179). Services were provided, but the state was not leading the way in providing for its people. When the state was in charge of providing services it would derail its own projects to gain more funding and international
attention/sympathy regardless of the suffering such actions caused its own citizens (Burg and Shoup 1999, 161).

Afghanistan’s situation is similar. International donors and PSCs provide much of the basic services in the country. Successes are marketed to the world at large as a justification to continue involvement within the country. Schools are an excellent example of aid and the controversy surrounding it. A large number of Afghani children (5 million) are enrolled in schools, and over one-and-a-half million of those children are girls (Jones 2009, 207). Yet these schools are often burned down or otherwise destroyed and their teachers the target of Night Letters. The schools are viewed as a place where the youth are corrupted and westernized, where traditional beliefs are challenged, women are educated, and are surrounded by PSC contractors who are mistaken for American soldiers (Marsden 2009, 125).

These successes, however, are few and far between. One of the most noticeable examples of failure to provide basic services comes from the Kabul power plant. The plant was built by contractors and the Afghan government had agreed to use and upkeep the plant once it was completed. However, the plant was so expensive to run that the Afghani government had to abandon it (Commission on Wartime Contracting in Iraq and Afghanistan 2011). A similar situation occurred with a water sanitation plant (United States Government Accountability Office 2009). The same year that Afghanistan was unable to support the newly constructed Kabul power plant, the state was also unable to

47 Night Letters are unsigned letters distributed anonymously. In Iraq and Afghanistan they are often used to threaten the population against supporting United States projects or accept United States support.
fund the 2009 elections. These had to be paid for by the international community (United States Government Accountability Office 2009).

Iraq faced similar reconstruction predicaments. These challenges were illustrated by the inability of the state to provided basic services. There were water treatment plants that did not function, sewage plans which did not run, waste dumped into the main water supply, exceptionally overcrowded schools (160 students to a classroom, one book per six students), a neglected oil infrastructure, a power grid working at half capacity, and public institutions (such as schools) being used as military command posts and armed storage (Committee on Government Reform 2004, 53) The United States committed heavily to improving these existing conditions and creating new hospitals, water treatment plans, oil pipelines, schools, and assorted infrastructure projects. From 2003 to 2011 the United States spent more than $60 billion on reconstruction in Iraq. That comes out to an average of $17 million a day (Commission on Wartime Contracting in Iraq and Afghanistan 2011, 102). Senator Lieberman compared this level of reconstruction to the United States commitment to reconstruct Europe after World War II with the Marshall Plan. However, Lieberman then proceeded to give telling commentary: “although the Marshall Plan at this hindsight looks a lot better than Iraqi reconstruction (Committee on Homeland Security and Governmental Affairs 2007, 19).”

The Deputy Director of Operations for the Coalition Provisional Authority at the time, General Carl Strock, testified how conditions had worsened after the invasion:

In the electricity sector, there was no generation of electricity when it arrived in Baghdad, a tremendous challenge. There was no water treatment. There was no sewage flowing. All the irrigation in the country had ceased. Fuel supplies were far
more limited than we anticipated. The hospitals were in darkness and closed down. Schools were not operating. (Committee on Government Reform 2004, 26)

Therefore it became an urgent matter for the United States government to institute large-scale infrastructure projects. The goal was not only to rebuild the country, but also to stimulate the economy by employing Iraqis and, importantly, win their hearts and minds (Special Inspector General for Iraq Reconstruction 2011, 6). The United States, therefore, earmarked 67% of the funds dedicated to rebuilding Iraq (through the Congress allocated Iraq Relief and Reconstruction Fund (IRRF)) to go directly to improvements in infrastructure48 (Special Inspector General for Iraq Reconstruction 2011, 2).

As previously mentioned, the first goal of the reconstruction was to resume the functionality of the oil pipelines with the expectation that this work would become self-funding. While this approach was logical upon first glance, there were problems. One was that working to finance the reconstruction off of oil revenue steps outside of Charles Tilly’s principles that resource extraction will help build state capacity. Historically government taxes or levies that were created in order to fight wars, protect boundaries, or to reconstruct from conflict remained in place after the conflict ended and became routine sources of revenue for the government (Tilly, The Formation of National States in Western Europe 1975, 42). Rather than follow the logic of extraction, the United States paid the bill to use LOGCAP to fight the immediate fires, protect, and bring facilities back online. KBR49 was given the contract to reconstruct the oil infrastructure

48 This included $4.2 billion for electricity, $2.1 billion for the water sector, $1.7 billion for oil, $739 million for health services, and $99 million for education.
49 Kellogg, Brown and Root are the same firm as Brown and Root that was mentioned in earlier chapters. The company broke off from Halliburton in 2007.
KBR was successful in this contract, reaching prewar production levels by the end of 2003 (Committee on Government Reform 2004, 534). Iraq’s electrical grid was also a major concern, with USAID contractor Bechtel being awarded contracts worth $2.8 billion dollars for electrical reconstruction (United States General Accounting Office 2004, 87). Water treatment plants were another important focus. While there has been some success in these areas (with over five million Iraqis having access to potable drinking water by 2007) there have also been some significant failures (Committee on Homeland Security and Governmental Affairs 2007, 15).

The two notable water-treatment plants to serve as snapshots are the Nassiriya water-treatment plant and the Falluja Sewerage Network System. Construction on the Nassiriya plant was started in 2004 with the United States design to use a lagoon system that would be easy to use by untrained personnel and required very little power to operate. The Iraqi government rejected the design and instead requested a mechanical activated-sludge system because a lagoon system was “for third-world countries (Special Inspector General for Iraq Reconstruction 2011, 51).” When the project was turned over to the government of Iraq in 2007, there was no reliable power, nor was there qualified staff to run the more complex system. In fact, the staff had removed complicated parts of the assembly because they were unsure how to operate them or what they did (Special Inspector General for Iraq Reconstruction 2011, 42). The critical office of SIGIR found that the contractor, FluorAMEC, had constructed the power plant well, but that it was suffering from negligence and was not running at full capacity due to lack of power and skilled personnel (Special Inspector General for Iraq Reconstruction 2011, 42).
Problematic for the campaign to win Iraqi hearts and minds by successfully providing basic services, the plant now produces discolored water that many refuse to use: “Dissatisfaction with the quality of the water of the Nassiriya WTP is so profound that only 14 percent use it as their main source of drinking water; the remaining 86 percent either purchase water or use water from rivers and streams.” (Commission on Wartime Contracting in Iraq and Afghanistan 2011, 103).

The Falluja Sewerage Network System was also built by FluorAMEC. Ten cities had been identified by the CPA as being worthwhile to invest in large projects to show the population the goodwill of the reconstruction and their long term commitment to the people cities (Special Inspector General for Iraq Reconstruction 2011, 3). After the brutal murder of the four Blackwater contractors in Falluja, the project seemed more important than ever. Therefore even under the chaotic and difficult conditions, the CPA requested that Fluor push ahead with the Falluja sewage plant. This, of course, presented large logistical challenges. The Coalition did not have forces in the city, and the government of Iraq’s forces aligned themselves more with the local militias than with Baghdad (Special Inspector General for Iraq Reconstruction 2011, 10). Security problems such as insurgent attacks and IEDs seriously delayed the project (Special Inspector General for Iraq Reconstruction 2011, 16). The project was started not knowing whether the funds would be present to complete it, and due to the inhabitable nature of the insurgent city, the time of the project went from an expected 18 months to seven years (Special Inspector General for Iraq Reconstruction 2011, 19). The plant was intended to provide direct sewage removal to many houses in the city; however, due to security problems it was impossible to install house-to-pipe hookups. The absence of
Direct wastewater removal meant that only one of the four sewage treatment lines is currently needed. The plant could service many more homes. However, the plant suffers from a lack of trained operators who know how to handle the chemicals and otherwise maintain the facility (Special Inspector General for Iraq Reconstruction 2011, 26). SIGIR concluded that it was unlikely this underperforming project helped win hearts and minds, built local service capacity, or invigorated the local economy. It was an expensive investment in both money ($100 million) and lives lost (Special Inspector General for Iraq Reconstruction 2011, i).

There are many more examples of projects like this. There is a prison in Khan Bani Saad which, after $40 million spent on the construction of, was halted due to shoddy construction and lack of oversight. The project was deemed a failure. After all this was said and done, SIGIR spoke to the Iraq Deputy Minister of Justice regarding the Khan Bani Saad prison. SIGIR was told that the government of Iraq had no interest in a prison in that location, and the project never should have been started to begin with (Committee on Oversight and Government Reform 2010, 56). The Basrah Children’s Hospital, a project designed to help fight the unusually high cancer rate in Iraqi youth, was frequently attacked and workers threatened and murdered (Special Inspector General for Iraq Reconstruction 2011, 3). Projects are being completed to provide basic services, but they come at an extremely high cost in both money and human lives. Projects that appear to be part of the reconstruction by the occupying force are lethally targeted by the insurgency at the determent of the population at large.

Overall findings for section:
Croatia’s provision of basic services stayed stable throughout the observed period. However, this is not a good metric to observe change in a country which begins with a fairly high capacity. When MPRI was active in Croatia the state was not torn apart by war and in desperate need of reconstruction. The best “before and after” metric available is elections. There Croatia was able to provide the expected service, but it did not honor the results nor handle the elections fairly. Bosnia and Herzegovina rebuilt slowly and allowed much of the provisions of basic services to stay in private hands. Under the continual push of the European Union (with the carrot of joining the European Union and the stick of the High Representative removing elected officials) Bosnia and Herzegovina was able to eventually provide services for its people. Afghanistan’s services are still run by the intervention of foreigners and are often poorly planned and not coordinated with Kabul. Advanced infrastructure is being built in Afghanistan to provide for the population, but unfortunately Afghanistan does not have the money or trained personnel to operate such equipment.

<table>
<thead>
<tr>
<th>Did the State Provide Basic Services while PSCs were active?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Croatia: Marginal</td>
</tr>
</tbody>
</table>

Overall findings for 7.2:

When examining the actions of these states while PSCs are contracted on their soil, there are noticeable differences. The first is the involvement of the governments in welcoming the PSC to be involved. In the case of Croatia and Bosnia and Herzegovina, the PSCs were welcomed into the country. Croatia actively sought out MPRI to be
involved in training their military, and Bosnia and Herzegovina was happy to follow suit. In Afghanistan and Iraq, PSCs came as part of an invading force, and were only assimilated into a tool the host governments could use after the fact.

In Bosnia and Herzegovina and Croatia, the militaries became stronger, more capable, and modernized. In Bosnia and Herzegovina police forces were separated out from the military and trained in the rule of law. In Afghanistan and Iraq there was the same attempt to train the police, but here it met with extreme failure. Trainers were in short supply and recruits had a very high desertion rate. Elections everywhere were tenuous.

Croatia’s high level of capacity was shown by its recovery after the war. It is the only case where the state did not seek to take advantage of its population through graft to gather more funds, international sympathy, or power. The strict supervision of the High Representative in Bosnia and Herzegovina and potential carrot of joining the European Union led Bosnia and Herzegovina to eventually crawl towards being able to provide for its people. Afghanistan and Iraq still have miles to go before they are self-sufficient.

7.3 The Actions of the Private Firm
7.3.1 Did the PSC build institutions?

Croatia is the storybook case for PSC creating state capacity through institution-building. The PSC was hired, increased the capacity of the military, the military had a large, momentum-shifting success, and then the PSC left peacefully with no uprising or objections from the populace (Clark 1999). MPRI ran two military training programs in Croatia; the Long-Range Management program which centered on the restructuring of
the defense department and the Democracy Transition Assistance Program which focused on introducing noncommissioned officers into the Croatian forces, and military training and education, with the goal of entering NATO’s Partnership for Peace program (Avant, The Market for Force: The Consequences of Privatizing Security 2005, 102) (Singer, Corporate Warriors, The Rise of the Privatized Military Industry 2004, 125) (Graham 1995). Not only did the military training offered increase the institutional strength of the military, it also pushed Croatia’s armed forces in a more Western normative direction, as the state sought to undertake the road to democracy to join the Partnership for Peace. MPRI was successful at institution-building through their training (as shown by the success of Operation Storm) but international diplomacy also assisted in the growth of state capacity by providing the carrot of NATO support and potential EU membership.

Bosnia and Herzegovina’s recent history with private force is more varied, although overall the majority of the contracts were capable of increasing capacity. MPRI’s Train and Equip program followed much the same trajectory as the Croatian case and assisted in building up Bosnia and Herzegovina’s armed forces. The primary difference between Bosnia and Herzegovina and Croatia’s training is that in Bosnia and Herzegovina MPRI was specifically contracted to teach direct military skills and upgrade the equipment of the Muslim-Croat Federation to allow them to become formidable enough to counter Serbian forces (Shearer 1998, 60) (Wilkinson, Bosnia's Army of Strange Bedfellows 1997). This program was a success (Vecernje Novine 1999). In Croatia MPRI was only contracted to improve the long-term management of the military and bring the military up to Western standards (although many analysts feel MPRI
training must have covered tactics, considering the massive improvement to Croatian Army showed in Operation Storm.) In short, the difference between MPRI’s activities in the two countries is that in Croatia MPRI taught planning, strategy, and the benefits of a Western-style (with non-commissioned officers) military, while in Bosnia and Herzegovina MPRI added direct military training (such as learning to shoot weapons) to the lesson plan.

Also in Bosnia and Herzegovina Brown & Root’s LOGCAP contract did not affect host states capacity but rather served simply to support the United States forces in-theater. From the viewpoint of capacity building, Brown & Root were simply an attachment of the United States military. DynCorp’s IPTF contract presents an interesting dilemma. The contract itself should have built capacity. These contractors were part of a team that was focused on demilitarizing and training a civilian police force. Yet, because these contractors committed sex crimes and faced no prosecution, the justice system was eroded and integrity of the police was degraded.

PSCs in Afghanistan completely failed to build institutions, even if some contracts (like DynCorp’s police training) should have been able to assist with capacity. Even after its contractors were accused of sex crimes in Bosnia and Herzegovina, DynCorp was awarded the contract to assist with training the Afghani police. After two years of training 433 police units had been created, but not a single one could be deployed without external assistance (Subcommittee for National Security and Foreign Affairs and the Committee on Oversight and Government Reform June 18, 2008, 64). The PSC-trained police engaged in racketeering, bribery, graft, and lying to the central government. Outside of the criminal element, these newly trained police were thrown
into duty with little logistical support. They often were not paid on time, they had no jails or judges, and they were targeted by the Taliban for supporting the Western invasion (Subcommittee for National Security and Foreign Affairs and the Committee on Oversight and Government Reform June 18, 2008, 20). In short, the police in Afghanistan cannot be considered a strong institution.

DynCorp, Brown & Root, and Fluor are all part of the LOGCAP contract in Afghanistan. As in Bosnia and Herzegovina this contract simply supports United States or coalition troops and does not affect the replacement or creation of institutions. While this support contract is useful to the United States, it has no affect on Afghanistan’s capacity. MPRI has a contract in Afghanistan which could turn out to be the very example of replacing, rather than creating, state capacity. MPRI provided the personnel and the logistics system for the Afghan Ministry of the Interior to formulate Afghanistan’s budget. MPRI’s personnel were spread throughout the government and ensured that bureaucratic tasks are accomplished (Isenberg, Private Military Contractors as Buzz Lightyear: To Afghanistan and Beyond 2010).

America’s military effort in Iraq was also supported by the LOGCAP contract. KBR, as the LOGCAP contractor, entered Iraq hours after the military did and provided logistical support (Committee on Government Reform 2004, 508). Soon KBR was serving “more than 475,000 meals to our troops, provide them more than 2.3 million gallons of water, wash almost 16,000 bundles of their laundry, collect nearly 10,000 cubic meters of trash (Committee on Government Reform 2004, 508).” Under LOGCAP KBR also operates a fleet of trucks as large as the fourth largest firm in the United States
As in Afghanistan, KBR provided base and logistical support for United States troops.

Reconstruction was a primary objective once Iraq was secured, and contractors were given a primary place in that process. Within the first ten months more than $11 billion dollars in contracts were awarded (Committee on Government Reform 2004, 260). Tina Ballard, Deputy Assistant Secretary of the Army, describes the type of contracts which dominated the awards:

These contracts were awarded for the repair and renovation of schools, banks, railway stations, clinics, mosques, a human rights building, a teacher training institute, a women’s rights building, and water treatment plants. These contracts were awarded to provide police and firefighters with uniforms and equipment, hospitals with badly needed supplies, electrical power system equipment, rescue equipment and buses. In addition, our contract awards are helping to build playgrounds, youth centers, emergency housing, roads, sewers and irrigation systems (Committee on Government Reform 2004, 54).

Three years later, Major General Ronald L. Johnson, Deputy Commanding General, U.S. Army Corps of Engineers, reported on the Army’s successes in Iraq:

We have completed 13 refurbished hospitals that can serve 5,500 patients a day. We have restored water treatment facilities, benefiting over 2.3 million Iraqis. We have completed over 250 border forts, helping to secure more than 2,000 miles of Iraqi borders. We have completed over 800 new or renovated schools, serving 325,000 Iraqi children. We have increased electric power generation, benefiting 1.3 million homes. And we have increased crude oil production by 300,000 barrels a day over pre-war level (Committee on Homeland Security and Governmental Affairs 2007, 13)
While these are spectacular accomplishments, they do not focus on institution building. The contracts involved have been focused on reconstruction to regain basic services, rather than putting the Iraqis in a position to strengthen their own rule. Examples of this abound. In one case, contractors built over a hundred primary care health centers and operated them for the first year. However, the Iraqi Ministry of Health did not have the capacity to sustain the health care centers once the project was turned over to the Iraq government (Commission on Wartime Contracting in Iraq and Afghanistan 2011, 101). USAID administrator Andrew Natsios argued this point succinctly: “Development is not building things. It’s not engineering. It’s institution building (Dobbins, et al. 2009, 236).”

There have certainly been attempts to incorporate Iraqi’s into these contracts. The Department of Defense understands that employing locals “injects money into the local economy, provides job training, builds support among local nationals, and can give the U.S. a more sophisticated understanding of the local landscape.” Most recently the Chief of Staff of the Army, General Raymond Odierno, pushed to increase the use of local nationals as contractors stating that “employment of Iraqis not only saves money but it also strengthens the Iraqi economy and helps eliminate the root causes of the insurgency— poverty and lack of economic opportunity (Schwartz and Swain, Department of Defense Contractors in Afghanistan and Iraq: Background and Analysis 2011, 7).” Even with such encouragement there has been resistance from the prime contractors to hire Iraqis. The firms cite a lack of the ability to perform a criminal background check as a primary reason against employing locals (Subcommittee on National Security, Emerging Threats, and International Relations, Committee on
Government Reform 2006). Since Afghanistan has shown the common overlap between local employees for PSCs and their involvement in the insurgency, it seems a prudent concern by PSCs operating in Iraq.

Another similarity between Afghanistan and Iraq is seen with the United States training of the security sector. In Iraq DynCorp holds the primary contract to train the police, while Vinnell was awarded the contract to train the army. The award to Vinnell seems logical, as the firm has long been successful at training the Saudi Arabian army. Vinnell did not have the same success in Iraq. Half of the first battalion Vinnell trained deserted, and those who remained had trouble with basic skills such as marching in formation and the correct use of radio calls (Isenberg, Shadow Force: Private Security Contractors in Iraq 2009, 104). After a year it was decided that Vinnell was not a successful match for training the Iraqi Army and the primary task was awarded to the Jordanian Army (with support from other PSCs (Isenberg, Shadow Force: Private Security Contractors in Iraq 2009, 104).)

INL has not devised a way to train police without private security, so the use of contractors (the same contractor, in fact) was again seen in Iraq. The training of police is critical as post-conflict environments benefit greatly from the stability a local, non-corrupt, institution can provide. Training is needed to address forces that are underprepared, lack personnel, or are otherwise unable to provide security to a post-conflict society (R. M. Perito 2005, 1). However in Iraq, as in Afghanistan, that non-corrupt institution is slow in appearing.
The effort to train the Iraqi police has been circuitous. The United States Department of Defense, State Department, and Central Command have all at one time been in charge of the police training program, as well as the CPA and the government of Iraq (Special Inspector General for Iraq Reconstruction 2010, 1). The primary contractor has been DynCorp, which, as early as February 2004, was awarded $3.9 billion dollars in contracts to train the Iraqi police (Commission on Wartime Contracting in Iraq and Afghanistan 2011, 78, 136, 153) (Special Inspector General for Iraq Reconstruction 2010, 1). More awards would follow. By 2007 the United States had spent over $19.2 billion dollars to train the Iraqi security forces (United States Government Accountability Office 2007, 58). DynCorp hired United States police officers up to $153,000 a year to train the police in Iraq, supporting all aspects of law enforcement functions. The Department of State Advisory Support Mission (DASM) contract required that “DynCorp International deployed, supported, and equipped United States law enforcement personnel to provide police presence, enhance public security, and assist in reestablishing the Iraq National Police by providing necessary training to local police (Isenberg, Shadow Force: Private Security Contractors in Iraq 2009, 91 - 92).” Computer Sciences Corporation, Pacific Architects & Engineers-Homeland Security Corporation, and Civilian Police International (CPI) also were awarded smaller contracts to support the Iraqi police (Isenberg, Shadow Force: Private Security Contractors in Iraq 2009, 92) (Special Inspector General for Iraq Reconstruction 2010, 1). Their tasks were “to establish and maintain a cadre of experienced law enforcement personnel to serve in civilian peacekeeping missions overseas; provide pre-deployment and in-country support for the

50 It should be clear that “smaller” does not mean small. The CSC contract was worth $1.7 billion dollars over a period of five years (Isenberg, Shadow Force: Private Security Contractors in Iraq 2009, 92).
After the invasion, the Iraqi Ministry of Interior was in shambles. The police infrastructure was completely destroyed; an assessor on the ground at the time summarized the situation succinctly by saying “The police need everything (Special Inspector General for Iraq Reconstruction 2010, 10).” A CPA assessment concluded “a force of over 6,600 international police advisors would be needed to properly train, mentor, and advise the Iraqis (Special Inspector General for Iraq Reconstruction 2010, 10).” That number was lowered to 500 due to cost, but even that was not reached (R. M. Perito 2005, 6). Within the first six months only 50 advisers had been deployed, and 375 had been deployed a year later (Special Inspector General for Iraq Reconstruction 2010, 10). Recruitment of trainers was difficult due to the extremely poor security situation. The contractor’s hotel faced rocket attacks and car bombings were common. It had become too dangerous to mentor Iraqi police in the field, so the training was done at a secure location (R. M. Perito 2005, 6). Because of security concerns, much of the police training took place in the neighboring country of Jordan (Special Inspector General for Iraq Reconstruction 2010, 11). The initial assumptions had included the fact that training would need to be done in a post-conflict environment where security would be stable and the state rebuilding, the truth saw an environment of high-level violence and an active insurgency movement in which police were often targeted (Special Inspector General for Iraq Reconstruction 2010, 10).

The multiple forces in control of the Iraqi police training presented additional challenges. The security culture was not unified. The Department of Defense desired the
creation of a national security force that could ensure the safety of the Iraqi government against the insurgency and allow for the withdrawal of United States forces. The Department of Justice wished to see a Western style police force created that focused on community-policing and upheld democratic standards (R. M. Perito 2005, 11). The Iraqi police were thus trained in civil policing, but then immediately dispatched to fight with coalition forces against the insurgency. This left the population unprotected as the police were focused on the insurgency rather than on street crime or provide standard civilian police services (R. M. Perito 2005, 11). Iraqi’s were interested in training the police in their own methods as well. Paul Bremer, the head of the CPA, wrote to his second-in-command “we cannot simply have everybody in the country training his own police force (Dobbins, et al. 2009, 76).”

The problems with graft and corruption in the Iraqi police mimic those in Afghanistan. Employees are recorded as being present while they are actually working a second job. They then split this money with their supervisors in a scam known as salary sharing. Other times imaginary people are put on the roster as police. Since there is no oversight over local police stations, these salaries simply get paid (Special Inspector General for Iraq Reconstruction 2010, 30 - 31). Bribery is common and corruption is rampant. There is no way to measure the skill level of the police who are in the field. Over 120,000 officers have been trained through DynCorp and United States Army, but the effectiveness of such training remains unknown (Isenberg, Shadow Force: Private Security Contractors in Iraq 2009, 94). This training, however, does not appear to have broken the cycle of corruption or sectarian loyalties.
Graft has not only taken place on the part of the Iraqi police, but also with the contractors supporting them. Parsons, the firm tasked to build the Baghdad Police College, did such a poor job that waste-water flowed through the floors and light fixtures filled with urine (Special Inspector General for Iraq Reconstruction 2011, 15). Holes were found in security walls, guard towers were not installed, and construction was found to be extremely sub-par (Committee on Homeland Security and Governmental Affairs 2007, 29). DynCorp partially completed a housing facility for the contracted police trainers, but was ordered to stop due to security concerns (Isenberg, Shadow Force: Private Security Contractors in Iraq 2009, 95). DynCorp reported the facility was completed when it was not. The firm also added $4.2 million dollars of unauthorized work (a pool and twenty VIP trailers) at the request of the Iraqi government (which was not paying for or in control of the United States contract) (Committee on Homeland Security and Governmental Affairs 2007, 4). This $43 million dollar facility was never used. In the DynCorp training contract with the Department of State, $36.4 million dollars of weapons and equipment is also unable to be accounted for (Committee on Homeland Security and Governmental Affairs 2007, 4).

Police are not only inbred with militias but also prone to sectarianism. This has prevented the police from halting crimes such as kidnapping and even murder (United States Government Accountability Office 2007, 54). In Basra Shia’a militia members in police uniforms, driving police cars, have kidnapped and murdered individuals. It was not only in the south such extrajudicial crimes occurred; in and around Baghdad there were kidnapping and murders as well (United States Government Accountability Office 2007, 45). It is not simply a local problem either; senior Ministry of the Interior officials
interviewed by SIGIR reported that many of these former/current militia members are in high ranking positions within the police (Special Inspector General for Iraq Reconstruction 2010, 30).

The situation is not hopeless. In 2010 the Ministry of Interior oversaw the police forces in 15 of the 18 provinces. United States training had moved to advanced courses such as forensics while the Iraqi police now train their own recruits in basic police skills (Special Inspector General for Iraq Reconstruction 2010, 3, 9, 18). The Independent Commission on the Security Forces of Iraq (a bipartisan group of twenty senior military, law, and defense officers) found that the police would be capable of rapid improvement in the Ministry of the Interior became more functional (Independent Commission on the Security Forces of Iraq 2007, 10). Since the Ministry is plagued by sectarianism, corruption, and graft, this improvement seems unlikely. If nothing else, police training did win a few hearts and minds. A top official at Baghdad’s Training and Qualification Institute expressed his gratitude by saying, “If the U.S. was not there to help us every step of the way, we could not have done it alone.” (Special Inspector General for Iraq Reconstruction 2010, 21).

Overall findings for 7.3.1:

Institution-building remains one of the primary ways to increase state capacity. Croatia provides an excellent example of institution-building and state-strengthening. Afghanistan and Bosnia and Herzegovina show that it is not simply the sender states desire to build institutions, but the success of building such institutions that matter in increasing capacity. Creating a strong police force would benefit the capacity of these
countries. In the case of Bosnia and Herzegovina it is crime on the part of the contractors (trainers) that delegitimizes the justice system, and in the case of Afghanistan it is a failure of competency. The police are inadequately trained and logistics are not provided.

Contracts that do not interact with the host state, such as LOGCAP, have no ability to affect the host state’s capacity. There is a separate discussion whether or not contracts which support or replace part of the military affect the sender state’s capacity, but such is outside the scope of this study. The true failure in institution-building comes when the focus moves to replacing government functions. In cases where contractors are running government administration, distributing currency, or undertaking policing functions themselves, there will be no increase in capacity.

<table>
<thead>
<tr>
<th>Did the PSC build institutions?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Croatia: Strong Yes</td>
</tr>
<tr>
<td>Bosnia: Marginal</td>
</tr>
<tr>
<td>Afghanistan: Strong No</td>
</tr>
<tr>
<td>Iraq: Strong No</td>
</tr>
</tbody>
</table>

7.3.2 Was the PSC Subject to the Rule of Law?

MPRI was not accused of violating any national laws while it operated in Croatia. The firm was accused of breaking the embargo that the United Nations placed upon the Balkans. However, the blame for embargo-breaking is more likely to be directed at the hiring states rather than the providing firms. The United States State Department approved MPRI’s contracts in Croatia. Washington claims that deploying MPRI did not actually violate the embargo because the firm did not provide tactical training, directly
arm the Croatian military, or provide any form of “direct military assistance.” (Isenberg, Soldiers of Fortune Ltd: A Profile of Today's Private Sector Corporate Mercenary Firms 1997, 10). The second justification for this alleged infringement of the embargo claims that Westernizing the Croatian military assisted with democratization and was thus worth any perceived violation of international law (Avant, The Market for Force: The Consequences of Privatizing Security 2005, 111). MPRI instructed the Croat military in international law, help create an officer corps, and increase professional behavior.

Whatever MPRI taught the Croatian military, the newly trained armed forces were certainly successful in Operation Storm. This military offensive included ethnic cleansing (Human Rights Watch 1996). The murdering of Serbs was not simply limited to the Krajina region; the Serbian population living inside Croatia was reduced from 12% to 5% (Vankovska 2002). MPRI is praised for raising the military standards of the Croatian army to undertake such a successful land operation while at the same time chided for not properly educating the Croatians on human rights in warfare (Crvenkovic 2010). The number of displaced civilians in a conflict designed on reclaiming an ethnically pure homeland was, of course, immense.

Bosnia and Herzegovina has the unfortunate honor of being host to one of the largest failures of the law to apply to PSCs. While both MPRI (military training) and Brown & Root (LOGCAP) completed their contracts in Bosnia and Herzegovina without fanfare or problems, DynCorp’s (police training) contractors were caught trafficking underage women. The contractors provided by DynCorp to monitor, advise, and train law enforcement personnel in Bosnia and Herzegovina participated in the sex slave industry, using, kidnapping, and raping women as young as twelve (Directorate for
Investigations of Senior Officials 2003, 2). These contractors broke the very laws they were sworn to uphold. Problematically there were no legal repercussions against these kidnappers, slavers, and rapists. The United States Justice Department ruled that the United States contractors serving on this United Nations mission were outside of the reach of United States law (United States Institute of Peace 2004). The police departments these individuals returned to were also not notified that these crimes had been committed, and they were not prosecuted in any way (Human Rights Watch 2002, 48).

These crimes may have gone unknown by the public except for two whistleblowers and the lawsuits they brought against DynCorp. The only place where these crimes were able to be prosecuted was under the Racketeer Influenced and Corrupt Organizations Act (Mendelson 2005, 28). In order to prevent any such lawsuits in the future, DynCorp has moved their base of operations to Dubai.

Afghanistan has yet to sport sex crimes such as videotaped rape, but it has its share of contractor murders, bribery, incomplete projects, funneling money to terrorists, and stolen weaponry. What Afghanistan also has that is different from Bosnia and Herzegovina is prosecutions. In the Afghanistan war the dialogue about PSC accountability begins and the crimes of contractors are on featured prominently in the media, discussed in congressional hearings, and jail time occurs. In the murder of Afghans civilians, two contractors were tried under the Military Extraterritorial Jurisdiction Act and both sentenced to over 30 months in prison (Department of Justice 2011) (Sizemore 2011). Yet still many crimes go unpunished. There is a lack of oversight on PSCs due to the lack of contracting officer's representatives (COR) in all
contracting agencies and even when reviews are possible, often the military officer is continents away (Commission on Wartime Contracting in Iraq and Afghanistan 2009). When contracts, such as the training of the police, fall apart there is no accountability for failure (Subcommittee for National Security and Foreign Affairs and the Committee on Oversight and Government Reform June 18, 2008, 5).

There is an additional line between the illegal and the unethical. In Afghanistan former militias who previously harassed caravans and demanded “tolls” for the use of the roads have since rebranded themselves as PSCs and been awarded contracts to protect that same road from militias (Fritsch 2010). ArmorGroup hired subcontractors to act as guards for a military base, and then these guards proceeded to give their earnings directly to the Taliban (Committee on Armed Services 2010, ii). In another case a contractor used his wife’s company to purchase supplies at drastically increased prices (Ad Hoc Subcommittee on Contracting Oversight of the Committee of Homeland Security and Govermental Affairs June 10, 2009, 2). Despite United States knowledge of these indiscretions, there is no record of judicial punishment (although often the contractors involved are fired.)

Contractor misdeeds in Iraq are mighty. There are six notable incidents that stand out among the stories of murder, fraud, and graft: (1) the poor planning by Blackwater’s which lead to the contractor ambush and murder in Fallujah (2004); (2) the prisoner abuse and torture in Abu Ghraib (2004); (3) the posting of “trophy videos” to the internet by Aegis contractors (2005); (4) the murder of the Iraqi Vice President’s bodyguard by a drunk Blackwater contractor (2006); (5) the killing of 17 civilians by Blackwater at Nisur Square (2007); and (6) the electrocution of a United States soldier while showering due to
faulty construction of (2008.) There have also been multiple reports of contractors involved in traffic accidents cause by overly aggressive driving and improper use of force against civilians leading to death. Convoys have been noted to be poorly defended by a smaller number of contractors then requested. In addition there has been a whole host of corruption, fraud, graft, and flat out theft. It is important to note that this section highlights the failures of contracting. Many contracts are successfully completed without erroneous activity.

The first notable conflict regarding contractors in Afghanistan took place when four Blackwater contractors were sent through Fallujah without machine guns, down two guards, in soft skinned vehicles, without maps and on the contractor’s first day on the job (Isenberg, Shadow Force: Private Security Contractors in Iraq 2009, 54). These contractors were then ambushed and murdered, causing a resulting United States engagement that has been described as one of the turning points (against the United States) for the war. Congressional investigations have found that Blackwater, rather than the State Department, was at fault for the lack of preparation and equipment choices (Isenberg, Shadow Force: Private Security Contractors in Iraq 2009, 54). While there have been investigations, Blackwater has not been subject to criminal charges. There is a civil lawsuit pending from the families of the murdered guards.

Also in 2004, the Abu Ghraib scandal came to light. The Army investigated and found that contractors were involved in 36% of the proven abuse cases and specifically named six individuals (Singer, The Dark Truth about Blackwater 2007). Contractors were involved in the creation of written interrogation plans for each prisoner, and were involved in giving orders in how these prisoners should be treated (such as sleep
deprivation, the use of dogs as an intimidation tactic, sexual humiliation, etc (Benjamin and Scherer 2007).) There were reports of discord between the military officers and the private contractors, with one contractor being reported as having said “I have been doing this for 20 years and I do not need a 20-year-old telling me how to do my job (Isenberg, Shadow Force: Private Security Contractors in Iraq 2009, 119).” The PSC CACI provided almost half of the interrogation and analyst staff at the prison, but “a third never received formal military interrogation training, and at least one civilian interrogator was hired, without a resume, follow-up interview, fingerprints, or a criminal records check (Isenberg, Shadow Force: Private Security Contractors in Iraq 2009, 121).”

While the enlisted soldiers involved in the prison abuse and tortured were court marshaled, nothing occurred to the contractors (Singer, The Dark Truth about Blackwater 2007). There was a private lawsuit taken against the contractors, CACI and Titan, which went all the way to the Supreme Court, where it was dismissed. The majority finding of the Court stated that while being tortured by a government is clearly against international law, private companies do not fall under this same international norm (Richey 2011). While admitting no wrongdoing, the contractor Titan adjusted their billing to exclude the costs for their accused employee and subcontractors (Committee on Government Reform 2004, 246). The use of private interpreters continued after the prison scandal, with Titan itself being re-awarded its same contract. In 2007 a $4.6 billion contract for interpreters and analysts was awarded between DynCorp and another contractor (Krahmann, States, Citizens, and the Privatization of Security 2010, 207).

The Trophy Video incidence from 2005 fall slightly outside the scope of this study, as the focus has been United States firms deployed by the United States to an
overseas destination. Aegis Defence Services is a United Kingdom firm employed by the United States in Iraq. Regardless, in 2005 videos appeared on the internet which showed security guards gunning down Iraqi civilians while Elvis Presley's "Mystery Train" plays in the background (Isenberg, Shadow Force: Private Security Contractors in Iraq 2009, 139). Both Aegis and the Department of Defense investigated the videos, with the Aegis report being confidential and the Department of Defense finding that the contractors had operated within the expected use of force. The government of South Africa, known for having harsh rules against private military activity, quickly prosecuted one of their citizens involved in the shooting (Isenberg, Shadow Force: Private Security Contractors in Iraq 2009, 139).

In 2006 Andrew Moonen, an off-duty Blackwater employee, passed near the compound of the Iraqi Prime Minister after attending a Christmas Eve party where drinks were served. One of the Vice President’s personal guards stopped the contractor who responded by shooting the guard. The guard died at the scene. There was outrage from the Iraqi’s. Blackwater’s response was to rush Moonen out of the country, confiscate his back pay and a scheduled bonus, and charge him for his plane ticket home (Isenberg, Shadow Force: Private Security Contractors in Iraq 2009, 141). After the Iraqi public outcry and pressure from United States Congress, the United States Justice Department investigated whether it should take the case. In 2010 a Washington (Moonen lives in Seattle) United States Attorney chose not to bring charges against Moonen because there wasn’t enough evidence to bring the case to trial (Hannan 2010)

51 As of March 2012 these videos are still available on YouTube with the search terms “Iraq trophy video”
Almost a year later, Blackwater contractors killed 17 civilians and wounded at least 18 more in Nisour Square. Blackwater was escorting a caravan when either/or/and a) the contractors were attacked by armed insurgents (Blackwater’s stance), b) a car bomb exploded nearby (statement from the United States embassy), or c) Blackwater opened fire for no reason (Iraqi Ministry of the Interior.) There was a second incident minutes later when the Blackwater guards were leaving the scene where the contractors shot into a group of cars. This second round of firing murdered one person and injured two more (Isenberg, Shadow Force: Private Security Contractors in Iraq 2009, 79) The Iraqi Ministry was infuriated by the NiSource Square shootings, and expressed desire to replace all foreign private security firms with Iraqi firms. The Iraqi government also began to draft legislation to limit the immunity on these firms while they were active in Iraq (Isenberg, Shadow Force: Private Security Contractors in Iraq 2009, 79). In response to the shootings, the Iraqi government revoked Blackwater’s operating license.

In 2008, a highly decorated, 24-year-old Green Beret named Ryan Maseth, was electrocuted and died while showering on base. Investigations from the Department of Defense found that at least 18 military personnel have also been electrocuted since 2003 mostly due to faulty wiring and improper grounding (Bronstein and Boudreau 2009). Through LOGCAP III, KBR was in charge of the construction and electrical systems involved in the death (Commission on Wartime Contracting in Iraq and Afghanistan 2011, 40). The Defense Contract Management Agency (a part of the Department of Defense) gave KBR its poorest rating that is reserved for “extraordinary contract failures.” This low rating was a factor in KBR not being awarded the LOCAP IV
contract (Commission on Wartime Contracting in Iraq and Afghanistan 2011, 89). There is currently a lawsuit against KBR being waged by Maseth’s parents (Kramer 2011).

There are many other examples of questionable contractor activity which has been mostly ignored by the legal system. Civil lawsuits continue, but are often dismissed for lack of evidence or jurisdictional reasons. One ongoing lawsuit accuses Blackwater’s guards of being under the influence of judgment-altering substances while deployed in the streets of Baghdad (Isenberg, Shadow Force: Private Security Contractors in Iraq 2009, 85). A DynCorp contractor was prosecuted and found guilty of giving identity badges used to enter the Green Zone to people who should not have had them, including the contractor’s Iraqi girlfriend. His punishment? 30 days in jail and a twenty-five dollar fine (Isenberg, Shadow Force: Private Security Contractors in Iraq 2009, 94). Another report has a KBR mortuary truck being converted for the transport of ice before it was properly cleaned. As it was being loaded with ice, a KBR contractor reported “You could still see a little bit of matter from the bodies, stuff that looked kind of pearly, and blood from the stomachs. It hadn't even been hosed down (Rose 2007).” There is a civil lawsuit into this, and other, health related issues regarding KBR’s base services (Kennedy 2008).

Shootings, electrocutions, and abuse attract the media’s attention, but much of the graft in Iraq is located within the contracting process. Congressional hearings are filled with accusations of waste and fraud, and the lack of oversight reported in Afghanistan continues in Iraq. There has been a severe lack of competitive bidding for many contracts, and many awarded contracts have been cost-plus. A cost-plus contract is exactly what it sounds like; the government pays the contractor its costs plus a markup.
Therefore the more the contractor bills, the more money the contractor makes (Committee on Government Reform 2004, 8). In 2011, the Commission on Wartime Contracting found that waste and fraud in Afghanistan and Iraq were costing roughly $12 million every day for the past ten years leading to a total loss between $31 and $60 billion. This was the Commissions’ conservative estimate (Commission on Wartime Contracting in Iraq and Afghanistan 2011, 68). In 2007 the Iraqi Commission on Integrity reported that they were investigating over 2,000 cases that involved $5 billion dollars involving corruption (Subcommittee on Crime, Terrorism, and Homeland Security 2007).

Custer Battles is the poster-child for contracting corruption, overbilling and using the lack of oversight to avoid prosecution. They overcharged the CPA by a ridiculous amount:

A $33,000 food order in Mosul was billed to the United States-led interim government of Iraq at $432,000. Electricity that cost $74,000 was invoiced at $400,000. Even $10 kettles got a 400 percent markup. The company billed the government nearly $10 million for dozens of items, including food, vehicles, and cooking pots. The total cost to Custer Battles was less than $4 million – a profit margin of 150 percent, far higher than the 25 percent margin allowed under its contract.” (Isenberg, Shadow Force: Private Security Contractors in Iraq 2009, 87)

Custer Battles was found guilty in a United States court for these charges of fraud and falsified invoices and penalized $10 million in fines. However, Custer Battles appealed, saying that the CPA was not a United States institution, and the United States could not prosecute Custer Battles for fraud against the CPA. While a federal judge agreed that there was corruption, he found that the appeal argument was correct, and the United
States could not prosecute (Isenberg, Shadow Force: Private Security Contractors in Iraq 2009, 90). In 2009 a Federal Appeals court overturned that ruling, and offered the prosecutors the option of seeking a new trial (Nakashima 2009).

On the subject of oversight, there have been a few contracts in which a private firm has been contracted to write a contract...which then ends up being awarded to the firm in question. An example of this is when KBR developed a plan for the reconstruction of the Iraqi oil infrastructure, and then was awarded that very contract (Krahmann, States, Citizens, and the Privatization of Security 2010, 233). However, it is the contracting out the oversight of other contractors has been one of the most controversial decisions. The UK Firm, Serco, was awarded a $225 million contract to “oversee the performance of other contractors and provide programme management analysis, cost analysis and logistics planning’ for the LOGCAP IV (Krahmann, States, Citizens, and the Privatization of Security 2010, 206).”

In 2009, the laws regarding contractors in Iraq changed. Previously, PSCs operated with almost complete immunity (Human Rights First 2010). Department of Defense contractors are now subject to Iraqi criminal law (including the death penalty). Other United States contractors, including those who work for the State Department, maintain their pre-existing immunity (Bakri 2009). Rather than this simply being a change in law that was only on paper, Iraqi justice has prosecuted one contractor and committed him to life in prison. The contractor was British, and murdered another British contractor and an Australian, and was working for a UK firm (Tawfeeq 2011). No United States contractors have been prosecuted by an Iraqi court, although in the murder of Jim Kitterman five American contractors were handed over to Iraqi’s for
investigation. They each provided alibis and were eventually released (Gertz 2009). The future of this law will need to be tested by when an American is sentenced with the death penalty. It is also worth noting that as the Department of Defense withdrew from Iraq in 2011, most contracts and oversight are being handled by the State Department whose contractors are immune from the 2009 agreement.

Also in 2009, the Iraqi Ministry of the Interior pulled Blackwater’s license to work in the country. However, the Ministry has proven ineffective at successfully registering PSCs to the point where contractors have used their business cards as if they were official documentation (Singer, Banned In Baghdad: Reactions to the Blackwater License Being Pulled 2007). In regards to this Blackwater license, the State Department ruled that companies who directly contract with the United States to provide diplomatic security do not need a license from the Iraqi government (Isenberg, Shadow Force: Private Security Contractors in Iraq 2009, 79). In other words, the Iraqi government “canceled” an operating license which was not valid and not even needed.

Overall findings for 7.3.2:

PSCs have been successful at staying outside of legal prosecutions. Despite these firms’ long history with the United States military, using private force on such a large scale is a cutting-edge aspect of privatization. Legislation lags on how prosecute such crimes. MPRI’s actions in Croatia were obedient to the terms of their contract. Whether or not they obeyed international law by crossing an embargo or if they failed international norms by not emphasizing human rights enough in their teachings, the firm did not violate any domestic laws. DynCorp’s contractor’s actions in Bosnia and Herzegovina
were appalling and the lack of response by the company and the United States Justice Department is shameful. Afghanistan is a smorgasbord of contractor crimes, but it also is the first case where prosecutions appear. PSCs have operated outside of the law, and remain a hard to regulate aspect of warfare.

<table>
<thead>
<tr>
<th>Was the PSC Subject to the Rule of Law?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Croatia: Yes</td>
</tr>
<tr>
<td>Bosnia: Strong No</td>
</tr>
<tr>
<td>Afghanistan: No</td>
</tr>
<tr>
<td>Iraq: No</td>
</tr>
</tbody>
</table>

7.3.3 Was the PSC viewed as legitimate by the Population?

The Croats welcomed MPRI. The PSC action in Croatia gave the impression that the United States supported the Croats in their struggle against the Serbs. In a time when neutrality was being preached as the path of international involvement, this perception of international support was very important to the population (Vankovska 2002). MPRI was asked to train the military by the host country; the firm was not in-theater as a projection of the sender states power. MPRI was not seen as an invading force, or supporting an invading force, but rather as a friendly sign of assistance (International Special Reports 2002). MPRI’s improvement of the military strengthened the existing mythos of the Croats are a warrior people. While MPRI trained and modernized the military, the successes (such as Operation Storm) were viewed as belonging to the Croatian Army.
In the case of Bosnia and Herzegovina it was not clear to the population that DynCorp or Brown & Root were contractors. DynCorp was contracted to work with the IPTF and as such wore the uniforms and had the same jobs that national police from other countries did. There was nothing to inform the average citizen that the Americans were contractors. When DynCorp’s contractors became involved in the trafficking of women, it was not blamed on their being contractors, but rather as a problem endemic to the United Nations. Brown & Root constructed, managed, and provided upkeep for United States military bases in Bosnia and Herzegovina. They also blended in with the United States military. Brown & Root, however, created population good will by subcontracting labor to locals. Jobs were scarce and this subcontracted created economic development for the communities near the United States bases (United States Government Accountability Office 2007).

In Afghanistan PSCs are viewed as a reminder that there is an occupation taking place. The Afghani population is familiar with armed forces, militias with guns in trucks, but these Western, invading, private contractors are viewed as taking jobs that could belong to Afghans (Oversight and Investigations Subcommittee of the Committee on Armed Services 2009, 26). While PSCs create this negativity, the opposing militia (the Taliban) has put immense effort into winning the hearts and minds of the Afghani population. The PSC trained police are a disaster, and the Taliban have provided protection from the racketeering schemes the “legitimate” authority inflicts on the population (Saikal 2010, 253).

War is always difficult on a population, but the situation in Afghanistan has been particularly brutal. The reconstruction is slow and often unsuccessful, civilian deaths are
high, human rights violations abound, and the most visible form of PSC activity –
training the police – is an absolute disaster (Marsden 2009, 163). The PSCs are just one
more actor in the violence and none seem palatable to the population. There are the
occupying forces, the nascent state-military, the corrupt police, tribes maintain or expand
their territory, warlords and their troops, and private firms supporting the international
and state-based forces (Giustozzi and Ullah 2010, 134). None of these forces have a
claim of legitimacy with the population. The goal of the population has been simple,
peace and stability of life (Barfield 2010, 277). Each additional force has turned against
that goal, turning Afghanistan into a cycle of violence.

Iraq’s and Afghanistan’s populations face many of the same concerns. Projects
are funded without concern for what the country or the people want, and when these
projects are completed they are often unsustainable either through lack of trained
personnel or massive expense. Other times the quality of these projects is extremely low
(Special Inspector General for Iraq Reconstruction 2011, 1). Many of these projects are
built (by contractors) with the idea of winning the hearts and minds of the population
through the provision of essential services. The population is too angry at the occupation
for these projects to easily succeed; reconstruction was attempted amidst an insurgency.
United States funded projects were bombed and workers intimidated. To avoid the
attention of the insurgency some project sites began flying flags of revolutionary clerics.
Since the project no longer appeared to be United States funded, it was left alone.
However, since the initial function of the project was to win over the hearts and minds of
the people, this is undermined the purpose of the contract (Special Inspector General for
Iraq Reconstruction 2011, 13).
This friction with the population posed a huge challenge in rebuilding Iraq. Even if parts of the population were willing to listen or support the Coalition, there are parts of Iraq were simply talking to an occupier creates the threat of personal harm or death (Committee on Homeland Security and Governmental Affairs 2007, 26). This has created a situation where earning the good will of the population is exceedingly difficult, even independent of things like contractor shootings, aggressive driving, trophy videos and the like. The population is already hesitant to interact with Coalition forces and contractor’s bad behavior has only increased this problem. In addition, Iraqi government actions such removing people from their homes in the middle of the night, or long prison terms without sentences, lack of access to lawyers, or family are compared to the situation during the regime of Saddam Hussein (Dobbins, et al. 2009, 166). This exacerbated a backlash against people who would cooperate with the Coalition. An example of this is the high fatality rate among the Coalition trained police (Isenberg, Shadow Force: Private Security Contractors in Iraq 2009, 161). Security for the central criminal court of Iraq in Baghdad was provided by DynCorp as judges and those who gavelled out justice to insurgents and members of the former regime were targeted (Dobbins, et al. 2009, 160). Some wonder if this tactic by the insurgency is backfiring. In 2007 the Independent Commission for the Security Forces of Iraq reported that popular support for al Qaeda was drastically weakening in Iraq, mainly because of resentment towards coercion and brutality (Independent Commission on the Security Forces of Iraq 2007, 28).

Contractors have behaved particularly poorly in Iraq and have been mostly unscathed by any justice system. Imagine for a moment that an Arab private citizen
employed by an Iraqi firm was in the United States, got outrageously drunk, shot one of Vice President Biden’s secret service officers dead, and then was rushed out of the country and to never face any form of justice. The United States populace would be displeased. The cowboy contractor crimes continue, from running cars off the road to posting videos of murder on the internet. The populace reacted favorably when the Iraqi government announced it was pulling Blackwater’s license to work in Iraq after the Nisour Square shootings. This anger at contractors has given Iraqi politicians a platform to lash out at the occupation without attacking United States troops or United States support directly (Singer, Banned In Baghdad: Reactions to the Blackwater License Being Pulled 2007).

In addition to crimes committed by contractors, there was also anger that Iraq needed to pay the United States to train its police. It was rumored that France and Germany would offer such training for free. In addition, due to security concerns, the United States built a training center in Jordan for the police. This appeared to be a waste of money to the population as it was viewed that there were facilities for such training available in Iraq (Isenberg, Shadow Force: Private Security Contractors in Iraq 2009, 161). While it was Iraqi money being spent on many of these training contracts, the Iraqi government often had little say in how the funds were spent (Subcommittee on Crime, Terrorism, and Homeland Security 2007).

Into this feeling of helplessness and frustration rode the four Blackwater contractors who were ambushed and graphically murdered in Falluja. CNN reported that Iraqi Army working with the contractors led them into the ambush site, assisted blocking escape routes, and then vanished into the crowd (CNN 2007). This well-documented
incident led to the first Battle of Falluja. This was a true polarizing moment for the population in Iraq began to turn against the Coalition forces and the United States (Murphy 2004). Before that point the people of Iraqi gave the Coalition the benefit of the doubt (Beebe and Kaldor 2010, 53). The United States response to the death of the contractors changed that sense of good will, as did the perception that the insurgents in Fallujah won the conflict by forcing a withdrawal by Coalition forces. The First Battle of Falluja was seen by the insurgency as a victory, since the city was removed from United States control. In addition, the destruction and death of Iraqi civilians by the United States in the Falluja assault gave the insurgency additional fuel and legitimacy in their war against the Coalition forces (Special Inspector General for Iraq Reconstruction 2011, 10).

Overall findings for 7.3.3:

Peter Singer noted that when a military has been defeated in war, the country is more apt for PSC involvement (Singer, Corporate Warriors, The Rise of the Privatized Military Industry 2004, 202). Both Croatia and Bosnia and Herzegovina had suffered defeat in war before the involvement of PSCs within their country, and both countries had been clamoring for international involvement. The situation in Afghanistan and Iraq was very different. These countries had not yet been defeated in war and PSCs arrived with the invading forces. Neither had these countries asked the West to become involved in their local conflicts.

The differentiation between foreign PSCs and foreign national troops is slim in the eyes of the populace. Examples from the media, and reactions locally, show a sense
that there is little or no distinction made between the two (Committee on Armed Services 2010). Thus, when the discussion concerns PSC legitimacy, the question is more aptly applied to the overall force. Would American troops be welcome in that situation? In Croatia and Bosnia and Herzegovina the answer is clearly yes, whereas American involvement in Afghanistan and Iraq began with an invasion. While the legitimacy of a PSC is an important indicator to the success of a PSC, the question is actually too narrowly focused. The better metric (which has the same results) is whether the sender states actions are perceived as legitimate by the host population.

Was the PSC viewed as legitimate by the Population?

<table>
<thead>
<tr>
<th>Country</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Croatia</td>
<td>Strong Yes</td>
</tr>
<tr>
<td>Bosnia</td>
<td>Yes</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>No</td>
</tr>
<tr>
<td>Iraq</td>
<td>No</td>
</tr>
</tbody>
</table>

Overall findings for 7.3:

The actions of the private firms have been as varied as their successes and failures. MPRI have stayed focused on military training and logistical assistance and generally avoided cries of foul play. Brown & Root has focused on supporting the United States military rather than taking contracts with host state countries. DynCorp has faced scandal for the actions of its contractors, and Blackwater has become the brand name of illegal actions. Yet success in building capacity is more than simply if the PSC has managed to operate inside of the law (and inside the constraints of its contract.) The contract must inherently support state-building. Replacing state functions, no matter how
superbly done, will not end up assisting the host state. The legitimacy of the PSCs by the host population becomes an interesting question. While there is correlation between the successes of the PSC and if they were considered legitimate by the population, this effect may mask the interplay between PSCs and national (or international) forces. Most of the reactions of the populace are to “United States troops” or “United Nations soldiers” rather than to “private contractors.” Thus the success of the PSC in regards to legitimacy becomes much like that of institution-building. The petri-dish must be intentional, well-prepared, and have a plan for PSCs to succeed. If national troops are not welcome, contractors who mimic the duties of national troops will also not be welcomed.

Specific contracts aside, there are also overall challenges with contracting. Contractors move large amounts of resources into theater. They create people who can spend large amounts of money into the local economy, hire subcontractors, and generate large scale projects (like dam building.) This has a damaging economic element of artificially inflating the amount of capital within the host state’s economy, and the lack of a state’s absorptive capacity disrupts any chance of a sustainable economic system (Commission on Wartime Contracting in Iraq and Afghanistan 2011). When these contractors depart, the economy will not be supported by this influx of money and labor. A rush of newly unemployed and poor individuals does not benefit state capacity.

7.4 Expected and Actual Results

Table 7.2 provides a visual representation of the findings discussed within this chapter. The results of the four cases range from an increase in state capacity (Croatia) to a decline in state capacity (Iraq.) The first three questions focus on the actions of the host
and sender states, while the next three focus on the PSCs. There will, of course, be crossover.

In order to examine whether PSCs were focused on institution building, the contracts the sender state assigned the PSC were examined. No matter the effectiveness or capability of a private firm, it must be assigned tasks that will benefit state-building to be successful at increasing state capacity. The specific examples used to measure the state’s control over governance varied from case to case but focused on the strength of ministry control, the ability to direct projects in the way the host state wished for them to happen, and freedom from neocolonial influence. Basic services were examined by looking at what reconstruction projects the NGOs and sender state felt were required to ensure the population survived and observing the host state’s success (or failure) in incorporating these into their governance structure. In some cases the provision of basic services started through foreign aid but was then absorbed into the state apparatus, while in others external support has created a cycle of dependency that is unlikely to be broken.

Gathering precise information on PSCs remains a challenge, but these firm’s misdeeds are cataloged in media and testimony before United States congress. The growth of legal sanctions against PSC increased with time as shown by crimes in Bosnia and Herzegovina only able to gain punitive traction through civil lawsuits verses Baghdad being given the direct ability to arrest and prosecutes contractors who commit crimes on Iraqi soil. Intentional deployment of PSCs can be traced by looking at the planning process which birthed the contracts. There is a difference between intentional contracts planned by Washington (and, for best results in increasing capacity, in accord with the host state) and those that arise in the field to supplement or replace missing
personnel or supplies. The type of contract also tells if it is intentional or not: training is a deliberate decision, whereas contracting an unplanned move of goods is not. The legitimacy of the PSCs by the population was uncovered through examining media, testimony and reports by United States agencies, and NGO reports. The most common finding became that populations do not have a strong sense of who is an American contractor versus who is an American soldier. This shows some variation in Baghdad, but the study focuses on overall populations of a country, not simply capital cities.

The following two tables display the expected and actual results of these six criteria in the cases of Croatia, Afghanistan, Bosnia and Herzegovina, and Iraq.\textsuperscript{52}

\textsuperscript{52}In the expected findings there is a question section which asks if “PSC’s tasks contribute to capacity?” As the study progressed it became clear that this was simply too broad of a question and it was broken down into two parts: “Did the State’s Control of Governance Increase while PSCs were active?” and “Did the State Provide Basic Services while PSCs were active?”
<table>
<thead>
<tr>
<th></th>
<th>Iraq</th>
<th>Afghanistan</th>
<th>Bosnia</th>
<th>Croatia</th>
</tr>
</thead>
<tbody>
<tr>
<td>PSCs focused on institution-building?</td>
<td>Mixed</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>PSC’s tasks contribute to capacity?</td>
<td>Mixed</td>
<td>Mixed</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>PSCs subject to laws?</td>
<td>No</td>
<td>No</td>
<td>Mixed</td>
<td>Mixed</td>
</tr>
<tr>
<td>PSCs intentionally deployed?</td>
<td>No</td>
<td>No</td>
<td>Mixed</td>
<td>Yes</td>
</tr>
<tr>
<td>PSCs viewed as legitimate?</td>
<td>No</td>
<td>No</td>
<td>Mixed</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Increase in State Capacity?</strong></td>
<td>No</td>
<td>No</td>
<td><em>Slight</em></td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Iraq</td>
<td>Afghanistan</td>
<td>Bosnia</td>
<td>Croatia</td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>--------------</td>
<td>-------------</td>
<td>------------</td>
<td>-------------</td>
</tr>
<tr>
<td>PSCs focused on institution-building?</td>
<td>Strong No</td>
<td>Strong No</td>
<td>Marginal</td>
<td>Strong Yes</td>
</tr>
<tr>
<td>State’s control of governance increased?</td>
<td>Strong No</td>
<td>Strong No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>State provided basic services?</td>
<td>Strong No</td>
<td>Strong No</td>
<td>No</td>
<td>Marginal</td>
</tr>
<tr>
<td>PSCs subject to laws?</td>
<td>No</td>
<td>No</td>
<td>Strong No</td>
<td>Yes</td>
</tr>
<tr>
<td>PSCs intentionally deployed?</td>
<td>Strong No</td>
<td>No</td>
<td>Yes</td>
<td>Strong Yes</td>
</tr>
<tr>
<td>PSCs viewed as legitimate?</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Strong Yes</td>
</tr>
<tr>
<td><strong>Increase in State Capacity?</strong></td>
<td><strong>Strong No</strong></td>
<td><strong>No</strong></td>
<td><strong>Marginal</strong></td>
<td><strong>Yes</strong></td>
</tr>
</tbody>
</table>
Frankly, I’d like to see the government get out of war altogether and leave the whole feud to the private industry. - Major Mindbender, Catch-22

8.1 The Historical Implications of Private Force

Since the end of the Cold War, private force has reemerged as an important actor on the world stage. PSCs challenge Weber’s claim regarding the monopoly of the legitimate use of force by the state. There is lack of clarity concerning when a corporation can directly support violence, and when its employees are breaking national or international law. This dissertation has explored the relevance of PSCs to the process of building state capacity. Charles Tilly’s claim that war drives state formation is especially important; the use of PSCs weakens many institution-building processes. To already developed states, such as the Global North, this side effect of using PSCs is irrelevant. In particular, the United States uses PSCs domestically for the training of its forces and abroad for logistical support, intelligence, military assistance, training, and site security. However, a majority of states are confronted with state weakness. For these states to create or maintain stability, institution-building is critical. Without careful oversight and intentional deployment the use of PSCs directly undermines the process by which war drives state formation.

The idea of oversight and intention by both the host and sender state is absolutely vital. PSCs are contracted by the state and, in the cases covered, have operated within the
operational parameters provided. While PSC employees have been involved in graft, fraud, and criminal activity the overall mission of the PSCs have been upheld. The methods these companies took to reach their goals were often undefined by the state, but the companies’ objectives were set, contracted, and limited by the hiring state. While these case studies showed that PSCs can strengthen state capacity, it is a fallacy to assume that simply deploying these firms will strengthen institutions and create a stable state. If regime change and shaping is the intended outcome, then contracts that outsource force must be deliberately and carefully considered. Consolidating power in the hands of private firms employed by a sending state does not encourage either institution-building or democratic results. If the goal is the growth of state capacity regardless of regime type then the training of ministries, granting the host government the power to restructure a dangerous military, or other state strengthening contracts should continue. The contracts that cause institutional decay, such as long term replacement of the police, military, or logistical operations, are detrimental to the strength of the state. The state must control the judicial process and have the support of the domestic population for PSC contracts to be successful at building state capacity.

While the road to privatization began in the Eisenhower era, the decline of United States and United Kingdom troop counts after the end of the Cold War created a space for the increased use of military contractors. Riding the wave of privatization of the 1980s and capitalizing on their ability to avoid congressional oversight, PSCs became en vogue with the Pentagon. The belief in the supremacy of the free market and a trend towards risk adverse warfare changed Western security culture. This change is notable enough to mark a new stage of history for Western civilization.
Charles Tilly charted four stages of European history. His study ended in 1990 with the Western world in a stage he called specialization. This recent trend of privatization of military force breaks sharply from specialization by allowing private force to supplement core military duties. Up until the fifteenth century leaders extracted capital through tribute and rent under their immediate control (patrimonialism). For the next three hundred years leaders used mercenary troops and turned to independent capitalists for revenue through loans or their management of taxes (brokerage). The third stage, nationalism, is the time period where states absorbed the military into their administrative structures and created national armies. The last stage, specialization, expressed by the military becoming a powerful, specialized branch of the government that only focuses on international conflicts (policing has become fully separate.) The state has become powerful and other branches of governance are able to influence military decisions. I suggest that we have left Charles Tilly’s period of specialization and entered a period of incorporation. This period is represented by the acceptance of private firms (both in the NGO sector and in private force) as contractors of the state.

Private firms are used as a way to project power into foreign countries and have taken on many tasks previously assumed as sacrosanct to the state (such as Weber’s views on the use of force.) Private groups have been beneficial to state-building; Lowenthal found that professional associations, trade unions, research centers, and the media reinforced United States ideals when this private power was projected into Latin America. He encourages these actives, and suggests that the United States should provide materials and moral support to these organizations (Lowenthal 1993, 263). It is this growth of organizations as micro-institutions (as discussed by new institutional
economics) where these private forces can truly excel. The growth of universities or a functioning police department creates a unity, or team, among people, helping to build a sense civic participation. As shown by the examples given, institutions and organizations overlap and provide support for one another. An increase in organizational strength can increase institutional strength which can increase state capacity. Clearly private actors who provide military support and private actors who provide humanitarian aid operate under different parameters and face separate challenges in regards to state sovereignty. The support of trade unions, research centers, or NGOs is not the same as supporting PSCs. The point of comparing NGOs to PSCs is to show the move to private agents’ involvement in projecting the goals and influence of the United States. The United States has fully entered into the stage of incorporation, with the contracting trends of the United Kingdom close behind. The future will show if the rest of the West follows suite, or if they adopt South Africa’s hard-line approach to the contracting of private force.

8.2 Private Security Firms

This study looks specifically at firms that support the United States in missions of reconstruction during or after combat. Specifically, the firms in question have integrated with the United States military deployments to undertake logistical support that either the United States military is unable to provide, or that is thought to be cheaper via contracting. PSCs have not only been employed by the United States Department of Defense, but also have been employed as a vehicle of foreign aid by USAID or the State Department. In either case, these firms are tied to military-led reconstruction projects and are part of the security culture of the United States. While these corporations are often involved in the same locations as NGOs, they are most assuredly for-profit.
As discussed in Chapter 2, the terminology used to describe these corporations is still contented. It is clear that these firms have outstripped the term mercenary: PSCs are corporate, they work closely with the state, and they provide a wide variety of support services to their hiring government. Peter Singer’s term PMF – privatized military firm – is now applied to firms that have actual combat capabilities. The term PMC and PSC (private military company and private security company) are often used interchangeably, but PSC is becoming the term of choice. A search of the United States Government Printing office with the terms “contractor PSC Afghanistan” returned over 170 hits, while the terms “contractor PMC Afghanistan” returned 59 (US Government Printing Office n.d.).

Tim Spicer, the former Chief Executive Officer of now defunct Sandline International and former CEO of one of the largest PSCs active in Iraq, Aegis Defence Services, defined the profession as follows: “Private military companies - or PMCs - are corporate bodies specializing in the provision of military skills to legitimate governments: training, planning, intelligence, risk assessment, operational support, and technical skills (Spicer, An Unorthodox Soldier 1999, 15).” There is immense resistance from these firms against any affiliation with the word “mercenary.” Spicer described mercenary units as stand-alone forces that are hired to do a specific, individual task. There is no sense of teamwork as they are a group of soldiers placed together for one mission, without any relationship between them outside the area of their task. He claims there is no expectation to respect for human rights or any of the global rules of warfare. Spicer’s negative view of mercenaries is complemented by an equally positive view of the PSC industry. To him a mercenary is singular and disjointed; a PSC is a cohesive
group unit, mercenaries have skill sets as limited as the individuals’ knowledge bases; PSCs have a huge repertoire of knowledge and experience, mercenaries may vanish after a mission, bearing no sense of accountability to the client or the global community; PSCs are real companies with corporate offices and business practices, mercenaries need not subscribe to any moral code but their own; a functional PSC obeys all laws and does not step beyond the scope of their employment, usually to bring peace and stability to an area they are hired to protect (Spicer, An Unorthodox Soldier 1999, 41).

The argument supporting the view that PSCs will obey the rule of law is that the giants of the industry want to be relied upon by governments and clients. It is therefore in the firm’s best business interest to be known as trustworthy, law-abiding, and humanitarian friendly. Following this line of logic, PSCs evolve from a tool of the military that is too useful to discard to a valued part of the foreign policy and state-building package. However, Bosnia, Afghanistan and Iraq provide cases in which the rule of law was completely discarded by some of these firms. Worse, participating in crime has not stopped specific firms from being awarded new contracts. After DynCorp’s contractors kept sex slaves and raped women on video tape in Bosnia, the firm was rehired for a similar contract in Afghanistan. Broken laws, raped women, murdered civilians were ignored as contracts were awarded to the same firms. This is especially problematic as the case studies in this study show that often contractors are misperceived by the media and local population to be United States national troops. If the United States is to promote its values abroad, it must abide by those values with each action it makes (Lowenthal 1993, 264). Lawless contractors erode the integrity of the United States image. To be clear, the crimes committed in these case studies do not imply
that every company, every contractor, and every contract is unethical. Neither should it be viewed that United States this study claims national soldiers are immune from criminal activity.

An additional claim against the use of PSCs is that these firms will turn against the host government if offered more money. This is so far unfounded. There appears to be a sense of nationalism, or loyalty to the military they once served, among some of United States contractors. It is not only the firms object to the label of mercenary and the assumption of lawlessness, but also the individual employees. As quoted earlier, Rusty Rossey, a Vietnam veteran, passionately declared his love for his country: “When people hear the word mercenary, they think of a guy running around with a machine gun… I’m no mercenary, I’m a professional soldier and a businessman -- a concerned, patriotic American (Silverstein, Private Warriors 2000, 157).”

Whatever the terminology used to label these firms is, and whatever normative baggage using private force carries, PSCs have become a staple of United States security culture. A chart taken from the Congressional Research Service showing percentage of contractors to military personnel demonstrates just how ingratiated contractors have become:
Figure 8.1 Percentage contractors as part of United States force (Schwartz, Department of Defense Contractors in Iraq and Afghanistan: Background and Analysis 2010, 2).

In Afghanistan the percentage of the workforce that was contracted by the Department of Defense from PSCs was as high as 69% (Isenberg, Private Military Contractors as Buzz Lightyear: To Afghanistan and Beyond 2010). While these numbers include logistical support personnel such as construction workers and janitors, it also includes core military competency such as training police and assisting with piloting Predator drones (Cloud 2011).

8.3 The Overview: Scope and Results

This study analyzed the conditions in which private forces are more likely to have a positive impact on the host state’s capacity through a structured comparison of Croatia, Bosnia, and Afghanistan. The lessons learned from these case studies were then
projected onto Iraq in a concluding case study. This study hypothesized that if private security is focused on building institutions, engaged in tasks that affect the state and have a positive contribution to capacity, are subject to the rule of law, are intentionally deployed, and are viewed as legitimate, then PSCs are capable of having a positive effect on the capacity of a host state. Therefore if these criteria are met there should be an increase in capacity of the host state, and a decrease in capacity if these factors are not achieved. Clearly a large range of variance in the definition of success and failure must be accounted for; the removal of one of the criteria for PSCs success at building state capacity does not equate with catastrophe, but rather increases the chances for an unsuccessful state-building program. It is also important to look at the cases only to see if there is an increase in state capacity, rather than democratization or enlightenment-based ideals.

State capacity was measured through observing the intentionality, governance, institutionalization, and legitimacy in Croatia, Afghanistan, Bosnia and Herzegovina, and Iraq. In order to tease out measures of success in building state capacity several questions were asked. Half of these questions focused on improvements in the state, and the rest were focused on the actions of the private firm. These concerned whether the PSC was focused on institution-building, whether their tasks contributed to capacity, whether the PSC was subject to legal repercussions, whether the firm was deployed with a plan, and whether the population viewed the involvement of contractors as beneficial. While traditionally viewed as the most important, institution-building is only one aspect to the creation of a strong state. The effect of a PSC on the host state can be witnessed through
changes to the states capacity such as the ability of the state to control its own governance or provide basic services to its people.

A functioning justice system gives an additional metric to measure state capacity, but the involvement of a foreign power creates situations which even the most advanced states have challenges meeting. Unclear chains of command, prosecution of a citizen committing crimes while in service to another state, unclear international and domestic law, provide extreme challenges when prosecuting disobedient PSC personnel. PSC oversight is most effective when the laws of the host country are applied to contractor crimes. This is true for the armed services as well. The current best-case of domestic laws being applied to foreign troops comes from a state with extremely high capacity. The United States status of forces agreement with Japan allows the United States to maintain control over any United States soldier accused of a crime until an indictment is reached. At that time the foreign (United States) soldier is subject to Japanese law and is eligible to spend time in Japanese prison. Yet even in the current “gold standard” of host country laws being imposed on foreign soldiers, there is still discontent from the host population and a desire for the host laws to apply from the moment of the crime forward and to remove any protectionary involvement of the sending state (Sieg 2008) (Allen and Sumida 2010).

Examining how Croatia, Bosnia and Herzegovina, Afghanistan, and Iraq reacted to crimes committed by PSCs in their country shows the capability of the state. Mednicoff and Carothers’ examinations of Latin America demonstrate that building a strong judicial system solely based on intuitions isn’t enough. It requires the buy-in of the polity. As such, Menicoff recommends that foreign aid be focused on introducing
change on the ground and affecting how the average person views the law (Carothers, Steps Towards Knowledge 2006, 334). For Bosnia and Herzegovina this may be valuable advice, but Afghanistan and Iraq do not have the peace and stability for the population to engage with the concept of a successful rule of law. It is not only the crimes of the contractors, but also the graft and corrupting within the state itself. Carothers makes two important points on this topic. First, “respect for the law will not easily take root in systems rife with corruption and cynicism, since entrenched elites cede their traditional impunity and vested interests only under great pressure (Carothers, The Rule-of-Law Revival 2006, 4).” Secondly, Carothers discusses how the application of the rule of law requires patience and “sustained attention, as breaking down entrenched political interests, transforming values, and generating enlightened, consistent leadership will take generations (Carothers, The Rule-of-Law Revival 2006, 12).” It seems unlikely that foreign intervention remain in rebuilding societies for long enough for such application of the rule of law to be possible.

It is an important reminder that the scope conditions of this study should not be stretched to assume a universal explanation of state-building. The focus of this dissertation is limited to the involvement of PSCs and their effects on state capacity when financed by another national actor. There are a myriad of reasons why state-building can succeed or fail, and this study does not seek to provide an overarching theory for state success. Additionally, it should be noted that these findings only apply to the states where private force was employed. The United States has multiple reasons for preferring to use private force (most notably perception of cheaper cost, low troop levels and lack of congressional oversight) but this study does not examine the effects on the sender state,
only upon the host state. There is an additional area of inquiry that could be undertaken which would explore how the privatization of force affects the international system as a whole. The values and norms of the post-Cold War Western world focus on a state-centric military and the introduction of privatized force has been considered destabilizing to such a system. Such a dialogue is also outside the scope of this study.

8.4 Concluding Thoughts

The United States has entered a new age in the use of force, where the national military is supplemented by private firms. Over the past millennium the Western world has had four major shifts in how the use of force is handled. Since the Cold War the West has entered a fifth stage of history. This change is due to the growing reliance on private force and its integration into the security culture. Drawing from Charles Tilly’s stages of European history, this fifth stage (incorporation) occurs when Western states seek new ways to manage their military influence while working within a decreased troop count and a population that has become intolerant of national troops death. This period is also characterized by the use of private firms by the executive branch (mainly the department of defense) to avoid bureaucratic, international, or media oversight. This stage of history also sees foreign aid being handled through private firms rather than direct national expenditure. This privatization of aid is not limited to PSCs but can also occur through NGOs. Elke Krahmann provides a perfect summary of the situation: “Private military contractors are now dying for democratic states (Krahmann, States, Citizens, and the Privatization of Security 2010, 195).”
Within *incorporation*, is it possible to use this private force to increase the capacity of other states? This study has not sought to examine the normative implications of the privatization of force, but rather has focused on the affect PSCs can have on capacity. Specifically, the focus has been on how PSCs can be used to increase state capacity; under which conditions are PSCs a successful or beneficial aspect of building the core functions of state capacity? This question is posed externally; the focus is on the host state rather than the sending state.

PSC usage does not hurt the United States when used internally. The United States government has a very strong capacity, and does not need to increase capacity. In fact the military industrial complex has become a solid part of the establishment of the state. Tilly is correct; war increases state capacity. Once the state is strong and stable, the control of force is not determined by who is holding the guns, or who is employing them. It is not about simply who is holding the stick, but about the administrative and executive control of force. Contracting or national troops are both controlled (in different ways) from the Department of Defense. Although this control may slip during foreign deployments, illegal actions, and uncompleted contracts may occur, within the continental United States contractors have been extremely well behaved as trainers, security guards, and advisors. Thus, the arguments in this study do not apply to the United States because it starts at an already high level of capacity rather than trying to rebuild from war.

This location of high capacity is one of the reasons why oversight by the host state is so critical. For PSCs to be successful in increasing capacity the host state must have authority over the firm. Without the host state maintaining its own governance (and
the functions of such governance, such as oversight) the use of private force becomes a
detriment and moves the governance into a form of quasi-protectorate. The host state, not
just the sender state, must be able to control what occurs within its own borders. In the
same vein, institutions must be created rather than replaced. The PSC cannot simply
become the police force; the firm must work to create a police force that can function
once the firm has departed the country. Institutions cannot be dependent on contractor
skills for capacity to increase. The state must, above all else, be viewed as the holder of
the principal means of coercion, and the principal enforcer of justice and punishment.
Justice is in the hands of the state, not of the PSC. When Erik Prince testified before the
House of Representatives on the misdeeds of one of his contractors, he stated this very
clearly: “Look, I’m not going to make any apologies for what he did. He clearly violated
our policies…we fired him, we fined him, but we as a private organization can’t do any
more. We can’t flog him, we can’t incarcerate him. That’s up to the Justice Department.
We are not empowered to enforce United States law (Committee on Oversight and
Government Reform 2007, 63) With the misperception that PSCs are United States
troops, it is important that these contractors be under some semblance of law and the host
state’s population understands that there is justice for all. If contractors are allowed to
run rampant it hurts the reputation and legitimacy of the United States. Contractors, if
perceived as United States troops, have the ability to deeply damage the hearts and minds
of a host population. A unified population can lead to an increase in state capacity, but it
would not be wise for the United States to create a nationalism based on “common
opposition to occupying foreigners (Buzan, People, States and Fear: The National
Security Problem in the Third World 1988, 26).”
Douglas North’s new institutional economics also discusses the power of ideas. Systems of control (such as governance or economics) are built from a micro level, due to the introduction of a set of beliefs, which are pivotal in shaping the growth of institutions. These institutions shape the reality of the state, which then introduce a new set of beliefs that change and direct how the state will grow. Another important point for North when examining the growth of institutions is the preeminence of path dependency in the context of statehood; cultures very rarely change directions abruptly (D. North 2003). When placed in the context of this study, the confluence of North’s power of ideas and the focus on path dependency raises the question if state-building is even possible? In two of the cases, Afghanistan and Iraq, the United States is attempting to project, through force, a set of ideas and institutions that follow a completely different legacy and history. It is even more interesting that the United States chooses to project these ideals using private force and often in a way that is incongruent with international law. Washington justifies occupations that much of the international community sees as illegal, and uses contractors that sit on the edge of law and accountability. How can ideals be projected abroad when the very vehicle used for projection challenges national ideals at home?

One of the reoccurring themes in this study was the lack of contractor oversight. Contracting officers were overworked and often undertrained. The Department of Defense’s budget cuts of the 1990s mainly effected the procurement of new weapons systems, but also saw a decline in troop and personnel count (Feickert and Daggett 2012). This opened up the door for contracting, but it also opened up the need for contractor oversight. Since the 1990s the acquisition workforce has shrunk by 40%, while the defense contracts rose by 78% (Isenberg, Shadow Force: Private Security Contractors in
Iraq 2009, 169). As of 2012 the United States does not have the personnel to examine and oversee every contract. Contractors have the ability to greatly increase profit by overcharging on cost-plus contracts, leading some such as Representative Waxman, to worry about fraud and abuse. The Congressman’s point is highlighted by a claim that former Halliburton procurement officers told his staff that the company’s unofficial motto was “Don’t worry about price. It’s cost-plus.” (Committee on Government Reform 2004, 18)

This study started with the hypothesis that legitimacy would be a major factor if PSCs were successful. It was argued that for the PSC to be successful it must work inside the rule of law and be judged as non-criminal by the populace and the international community. When examining the cases, this does not actually seem to be true. The path to state capacity does not seem to require a normative obedience to international law, or to be concerned with the legitimacy of the state or the actors involved. What state capacity appears to be most concerned with is who is in control of the “heavy lifting.” If the host state is directing actions, ethical or not, this builds the host state’s command structure and centralizes governance. This finding is in line with Edelsteins’ research that military occupations can be successful if the invaded population sees a need for the occupation; both states perceive that there is a threat to the state being rebuilt, and that the occupying state sets believable goals for withdrawal and the return of control (Edelstein, Occupational Hazards: Why Military Occupations Succeed or Fail 2004).

With the need for the host state to control justice and punishment, it is ironic that the police training offered by the United States to these rebuilding states is almost always through private contractors. The United States lacks a federal force that can train police
overseas (although it has been suggested that the United States Marshall Service may be a non-privatized solution.) Policing is an interesting case because the argument given is not that it is cheaper to privatize, but rather there is a lack in United States capacity to train foreign police, and that lack is filled by PSCs. The training of police also poses a challenge for the host state. Tilly’s theory of war makes state formation traces a process in which war-making (the armed forces) became separated from domestic coercion (the police.) While this division now seems natural to the West, it is something that arose through historical reactions to war (Taylor and Botea 2008, 50). Inserting an institution into a state that has no historical legacy or connection to why the separation between national forces and the police is important may face difficulties. The idea may not resonate with the population. This idea of working backwards, “that is, determining in what ways selected institutions do not resemble their counterparts in countries that donors believe embody successful rule of law – and then attempting to modify or reshape those institutions to fit the desired model,” is a problem endemic to development, and clearly shown in all four cases (Carothers, The Problem of Knowledge 2006, 21).

What this study truly shows is that the building or decline of state capacity is not the problem of PSCs. It is a problem of state-building. PSCs are just a tool, the way that the national army is just a tool. The questions asked by this study are still relevant, but they could be applied just as easily to NGOs. The problem is the way foreign intervention is directed. If state-building is focused on replacing institutions rather than creating them, allows foreign actors immunity to the laws of the host country, does not begin with a plan for success, does not foster the state to provide basic services for its people, and does not focus on increasing the ability to govern, state-building will not be
successful. Lowenthal speaks to the example of the Dominican Republic, where after seventy-five years of United States involvement, the state has not become strong or independent of foreign aid. In fact, what has been created is pathology of dependence (Lowenthal 1993, 254). This needs to be avoided in Iraq and Afghanistan.

The cost of these state-building interventions is also staggering. Charles Tilly’s work suggests that war encourages the formation of strong states. One of the most common critiques of this theory is that it cannot be applied outside of the Western world. That critique stands in the four cases studied. In Croatia and Bosnia and Herzegovina, capacity increased slowly through rebuilding from war. While this study postulates that state capacity would be higher if these states did not rebuild with extreme influx of foreign capital, there is no doubt that the former Yugoslav states have undertaken a trajectory to stability. There are no such signs of progress in Afghanistan and Iraq. In all four cases the link between the state’s need to extract resources due to war that leads to the repression of the population was broken by foreign intervention and financial aid. Yet the European cases were able to increase in capacity while the Middle Eastern cases do not. Iraq and Afghanistan do not fit the mold for central governance, they do not share a history of Western state-building, and efforts to create Western style capacities in those countries has been unsuccessful. When interventions are planned (and they should be planned, not haphazardly approached) it must be considered if success is even possible. In Transforming Post-Communist Political Economies Douglas North highlights this point while looking at economic structures: “it is important for us to understand that even if we do have it right for one economy, it will not necessarily be right for another, and that even if we have it right today, it will not necessarily be right
tomorrow (D. North 1997, 15).” Is there a way in which Western style capacity can be imposed upon cases like Iraq or Afghanistan? If yes, is the cost to the host and sender state worth the end result?

The cost of a failed intervention to the host state can be extreme. If PSCs replace institutional capacity, the host state is left with a legacy of dependence on firms that the host state is likely to be unable to afford. The case studies of Iraq and Afghanistan show cases of contractors building hospitals, schools, power plants, etc, that the state could not operate due to high cost and untrained personnel. If PSCs manage ministries, take over the host state’s transportation provisions (caravans), or become the defacto police force, the helplessness of the host state grows. Despite the large amount of money and effort put in by the sender state, this replacement of institutions by PSCs causes state capacity to decline rather than increase.

The sender state is also affected by failed attempts to build state capacity abroad. Most obviously is the huge cost of United States involvement in Afghanistan and Iraq. Brown University estimates that as of 2012 the cost of the War in Iraq alone has reached between US $3 – 4 trillion dollars (Watson Institute 2011). Yet there is a non-material cost that the sender state faces in these conflicts, and that is the loss of legitimacy and soft power. The United States has ignored international law in many of these conflicts. In Croatia the PSC was employed to avoid an UN embargo that the United States claimed to support, and in Iraq the US invaded and occupied Iraq despite failing to win UN support. Further, the United States has committed deeply to these wars in terms of money and manpower. The wars have accelerated a shift in United States security culture that embraces and operates through privatized military support. The costs to the sender state
in regards to foreign intervention seen in wealth, manpower, legitimacy, and changes to their own infrastructure. There is a further quandary: the United States has pushed the idea of private force, and integrated its state-building policies using both PSCs and NGOs. The goals and missions of the United States are often being represented by private institutions. What does it mean for the United States now that these missions are failing at their goals? How will this end up affecting the sender state’s capacity?

It is clear that under the correct criteria PSCs can be used as a beneficial part of the state-building package. Private security certainly comes with its own problems, such as challenges to international norms, state sovereignty, and accountability. Yet many of the problems that are seen with private force are less failings of the corporate sector and more the shortcomings of the United States to understand state-building. The question is not just should the United States deploy PSCs into conflict ridden areas, but rather if the United States should deploy into conflict ridden areas. If a situation is unlikely to succeed with conventional forces, such as creating a state where none exists, then using private force to state build will also meet with failure. A host state’s starting point becomes very relevant to the potential for an increase in capacity; intervention in a state like Croatia is much more likely to be successful than intervention in a case such as Iraq. The sender state must have an awareness of the state-building process and the limitations inherent in reconstruction. This intentionality of using private force as tools in the state-building process is missing from the conversation about increasing state capacity.

The military characterizes reconstruction in a warzone as “building an airplane while you’re flying (Independent Commission on the Security Forces of Iraq 2007, 7).” It is an apt description. Any state-building program will face challenges in reconstruction,
but at the end of the day this “airplane” must be able to fly on its own, without assistance from an “Air Force” worth of contractors. The lessons of this study hold true if the “airplane” is constructed by contractors, NGOs, or the military itself. Rebuilding a state must focus on rebuilding capacity, otherwise the mission will be unsuccessful.
Works Cited


—. "Training and Equipping the Bosnian Federation." Statement by the President. Office of the Press Secretary, July 9, 1996.


