Effectiveness and efficiencies of private military corporations

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EFFECTIVENESS AND EFFICIENCIES OF PRIVATE MILITARY CORPORATIONS

by

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June 2008

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This study investigates private military corporations (PMCs) to examine their effectiveness and efficiency as a substitute for traditional military forces. The PMC consists of a for profit firm that provides military services that range from combat operations to training, security and logistics support. While the PMCs represent a solution to issues such as insufficient military resources to provide direct support to other nations, there remain a number of political and structural barriers to their widespread use.
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ACKNOWLEDGMENTS

My deepest thanks to Professor Thomas Bruneau for his mentorship, guidance, support and dedication to excellence; these were invaluable to the completion of this project.

I would also like to thank Professor Robert Looney for his support and dedication throughout the writing process.
I. PRIVATE MILITARY CORPORATIONS

A. PURPOSE OF THE STUDY

Current military operations in both Iraq and Afghanistan have brought to light the strengths and weaknesses of the United States Armed Forces. Although the current military organization has advanced capabilities for carrying out armed combat, the organization is not large enough to support all of its ancillary needs. As a direct result of this situation, private military corporations or PMCs are becoming an important and integral part of military operations. While this arrangement provides the military with the critical support that it needs to ensure the effectiveness of core military operations, there are some questions about the efficacy and efficiency of these organizations. Specifically, operations at Halliburton’s KBR (Kellogg Brown and Root) division have come under recent fire over the costs of services charged to the U.S. government.¹

As the importance of private military organizations continues to increase and controversy over the cost and allocation of taxpayer funds intensifies, there is a direct impetus to examine whether or not private military organizations offer a clear advantage for improving military operations. Clearly, the current military operations taking place in Iraq and Afghanistan highlight the need for such services. However, in order to determine the impact of these services, issues of effectiveness and efficiency must be

addressed. Using this as a basic foundation for investigation, the purpose of this research is to assess the context, scope and purpose of private military organizations. Through a review of these issues it will be possible to understand the effectiveness and efficiency of PMCs and to make critical recommendations about how these organizations should be utilized to support military operations.

B. IMPORTANCE OF THE STUDY

A critical review of what has been noted about the importance of private military corporations demonstrates that these organizations are fast becoming an essential part of military operations.2 As noted by one scholar: “While change in our armed forces is long overdue, the greatest transformation is occurring outside the government, with the wholesale embrace of privatized military companies (PMCs), foreign and domestic. This seemingly pragmatic response to increasing commitments and decreasing personnel will have significant effects on U.S. and allied military operations.”3 Thus, as the need for U.S. military presence increases, and the number of enlisted volunteers decreases, the U.S. government will have no other option but to utilize the services of private military corporations.

As the need for private military organizations increases, some controls and checks and balances will need to be instituted by the federal government to ensure that these organizations are providing the best possible service

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3Ibid.
while retaining a high degree of cost effectiveness. Unfortunately, at the present time, such controls have not been instituted. However, if private military organizations are to become a more prominent and integral part of the U.S. military, the U.S. government must have some measures in place to ensure that taxpayer money is utilized efficiently. In addition, guidelines for responsibilities and duties must be outlined such that the effectiveness of these organizations can be substantiated.

When placed in this context, the importance of this issue becomes more apparent. The increasing role of private military corporations in the development of U.S. military operations must be monitored in order to ensure that these organizations are both effective and efficient. Thus, an investigation into the present state of private military corporations and their current effectiveness and efficiencies will provide a starting point for scholarly investigation into the development of these organizations. Without some consideration of these issues, the U.S. government and taxpayers will be unable to ensure the effectiveness and efficiency of these organizations in supporting military operations.

C. LITERATURE REVIEW

1. Introduction

With the realization that the private military organizations will play such a dominant role in the development of military operations, some consideration of the background and purpose of these organizations must be taken into consideration. For this reason, it is important
to do a review of what has been written about private military organizations and their utility for modern military operations. In addition, some consideration of the effectiveness and efficiencies of these organizations must be taken into consideration. Effectiveness and efficiency must be defined, so that these variables can be applied to research on PMCs.

2. Overview of Private Military Corporations

Researchers examining the purpose and focus of private military corporations report that although this title has been given to a number of organizations, defining the operations of these organizations remains problematic. Despite the challenges of creating a succinct definition for these organizations, scholars argue that in general terms, a private military organization is one which “provides international services traditionally provided by national militaries.” The range of services that can be provided in this context varies and can include any or all of the following:

- Offensive combat operations (pulling triggers).
- Armed security services in unstable states to private clients.

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5Ibid., 130.
- Armed security services in unstable states to public or international clients, including law and order operations.
- Humanitarian protection, operations and support.
- Military surveillance, strategic advice and intelligence.
- Demining.
- Military surveillance, strategic advice and intelligence.
- Military and police training.
- Logistics and supply for military operations.⁶

Although some delineation with respect to the duties and actions taken by private military corporations can be outlined, scholars report that private military operations often involve other categories of service. In particular, the use of freelance mercenaries has been noted.⁷ “The term ‘freelance mercenaries’ refers to private individual soldiers that offer military services on the open market to the highest bidder. Freelance mercenaries are very different from PMC/PSCs in terms of operations, clients, accountability and the capacity of the international community to regulate their activities.”⁸ Private mercenaries have an inverse relationship with PMCs, thriving in areas where reputable PMCs will not operate.⁹

Despite the fact that modern mercenaries are viewed as the antithesis of the modern private military organization,

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⁶Brooks, 130.
⁷Ibid.
⁸Ibid.
⁹Ibid., 131.
research demonstrates that the origins of PMCs can be found in the actions of these individuals. “A common and appropriate starting point for the discussion of the state-PMF (private military firm) relationship is the familiar...figure, the mercenary soldier—the person who fights for neither patriotism nor legal duty, but for economic gain.”¹⁰ Over the course of time, the lawless actions of the mercenaries were viewed by the state to be a threat to security. For this reason, mercenaries transformed into private military organizations, carrying out many of the same duties as mercenaries, but sanctioned by the state.¹¹

Not surprisingly, the presence of freelance mercenaries has promoted the evolution of a negative opinion of private military organizations.¹² Despite this situation however, researchers report that in the 1990s, Western governments began publicly seeking the services of these organizations. Although the U.S. has utilized the services of PMCs since the Vietnam War, it was not until the early 1990s that the government actively disclosed the use of these organizations to the public.¹³ Thus, it has only been in the past twenty years that the public has become widely aware of the use of private organizations to support military operations.¹⁴


¹¹Ibid., 71.


¹³Ibid.

¹⁴Ibid., 33.
Scholars examining the issues associated with private military organizations report that:

As non-state actors, PMFs enjoy the rights and privileges of private actors, including: the privileges of free movements, relatively minor scrutiny of action, and the privacy accorded to citizens and the lack of accountability to the general public. [...] These interactions between PMFs and states are generally carried out in private without the glare of international public scrutiny that typically surrounds decisions by states to expand, modernize or mobilize their military capacity.\(^\text{15}\)

What this effectively demonstrates is the integral relationship that develops between the private military organization and a contracting government. The nature, context and scope of this relationship would be subject to substantial public scrutiny based on the public’s awareness that these organizations are being utilized for assisting military operations.

Arguably, the history and evolution of the private military organization is one that is fraught with complexities. The issues that have developed in this context are reflected in the modern realities for these organizations. As more information is acquired about these organizations, scholars are now being challenged to look beyond the history of development to garner a more integral understanding of the impact of these organizations on military operations.\(^\text{16}\) Although some analysis has been undertaken to assess the impact of modern military operations:

\(^{15}\text{Virginia Newell and Benedict Sheehy, 69.}\)

organizations, the results that have been reported in the literature demonstrate a mixed picture about the effectiveness and efficiency of these services.

3. Effectiveness and Efficiency of PMCs

With this rudimentary understanding of the context and scope of private military corporations highlighted, it is now possible to consider what has been noted about issues of effectiveness and efficiency in these organizations. Jackson in his review of the efforts of private military organizations argues that despite the negative opinion of these organizations, PMCs have been highly effective in resolving short-term conflict. However, this author does note that when PMCs are used as a force for stabilization, they have relatively little impact on the development of long-term stabilization in a given region.

Interestingly, Brayton has also demonstrated the effectiveness of private military organizations in short-term conflict resolution. Looking at the operations of Executive Outcomes in Angola and Sierra Leone, Brayton asserts that this organization was highly effective in restoring state power. Although Executive Outcomes was successful in its operations, Brayton does note that operations in both Angola and Sierra Leone were costly to the governments. In Sierra Leone, the costs of services provided by Executive Outcomes were more than one-third of

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17 Paul Jackson, 34.
18 Steven Brayton, 304.
19 Paul Jackson, 34.
20 Ibid.
21 Steven Brayton, 311.
the country’s military budget for the year or $35 million. In Angola, the total costs of service were $40 million.\(^{22}\) Given that both of these countries are severely impoverished, Brayton asserts that there are some questions with respect to the ethical issues involved in providing military support for economic gain.\(^{23}\)

The results offered by these authors demonstrate that while private military organizations have been effective in their efforts to perform their assigned tasks, the costs or efficiency of these operations has been quite exorbitant. With this in mind, it becomes evident that there are two specific dimensions of private military organizations that need to be considered: effectiveness and efficiency. Only by addressing these two issues, will it be possible to provide a more accurate understanding of the overall impact of these organizations.

4. Definitions of Effectiveness

The importance of effectiveness to the context of this investigation warrants a review of what has been noted about the definition of this term. A precursor overview of what has been noted about the definition of this term suggests that it has been defined in a wide range of contexts.\(^{24}\) Fletcher, in her investigation of defining effectiveness, asserts that the underpinnings of effectiveness must be

\(^{22}\)Steven Brayton, 311.

\(^{23}\)Ibid.

delineated before a definition of the term can be established. According to this author, effectiveness has no real meaning unless it is directly linked to a measurement of outcomes of a specific situation.\(^{25}\) As such, effectiveness is a contextual variable that must be defined based on a specific situation.

In an effort to better understand how effectiveness can be contextually defined, Godard reports that organizations can employ a host of specific and objective criteria that can be used to measure organizational effectiveness.\(^{26}\) For example, organizations can choose to examine managerial effectiveness based on a comparison of current managerial efforts in the organization compared with managerial efforts exhibited by other organizations or outlined in the popular press.\(^{27}\) Effectiveness measures can also be developed in the context of more objective measures, which limit the biases that can occur in assessment. Objective measures include those that provide a statistical analysis of data for the purposes of drawing specific conclusions.\(^{28}\)

5. Definitions of Efficiency

The importance of efficiency has also been identified as critical to this investigation. Here again a overview of what has been noted about the definition of this term seems to suggest that efficiency has been defined in a number of

\(^{25}\)J. Fletcher, 178.


\(^{27}\)Ibid., 683.

\(^{28}\)Ibid.
contexts.\textsuperscript{29} In spite of this however, some scholars believe that efficiency is a purely quantitative measure.\textsuperscript{30} As reported by Liu, “Efficiency refers to the ratio of input to output; higher efficiency can be achieved if greater output is produced from a given input.”\textsuperscript{31} This author goes on to argue that efficiency is often tied directly to inequality. The more inequality that exists in a given situation, the more efficiency that will be garnered. While efficiency can be measured in quantitative terms, Liu insists the more qualitative definitions of inequality are needed to fully illuminate the range of impact of this issue.\textsuperscript{32}

Although Liu believes that efficiency has a specific definition that provides for strict quantitative analysis of information Knoedler, in her examination of efficiency, asserts that this term can have both qualitative and quantitative meanings. This author does note that in most instances, the quantitative aspects of efficiency are stressed.\textsuperscript{33} However, according to Knoedler, efficiency is often applied as a central variable to assess the costs of an operation and whether or not these costs are justified. Even though quantitative assessments are important, Knoedler contends that qualitative analysis is often needed to supplement any efficiency analysis.\textsuperscript{34}

\textsuperscript{31}Ibid.
\textsuperscript{32}Ibid., 165.
\textsuperscript{33}Janet T. Knoedler, 1018.
\textsuperscript{34}Ibid.
D. METHODOLOGY

Based on the review of the current literature on private military corporations, it is evident that a greater understanding of both the effectiveness and the efficiency of these organizations must be assessed. Using this as a basis for developing a methodology, a case study examining these specific issues in the context of current private military corporations is warranted. A case study approach will allow for an intensive investigation of issues of effectiveness and efficiency, such that a clear framework for comparison of PMCs on these two issues can be undertaken. The following provides a review of the subsequent information that will follow in this research.

1. Background on the Issue

To provide an overview of the current operations and activities undertaken by private military organizations, the long and complex history of mercenaries, their relationship to the state and the services provided must be considered in order to lay the groundwork for this investigation. While this research indicates that PMCs evolved from mercenaries, it is important to consider the evolution of mercenaries in examining the modern PMC. A review of what has been noted about this history suggests that mercenaries were utilized by the state during the Roman Empire.35

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2. Case Study on Effectiveness

Once the basic history of mercenaries and private military corporations has been established, it will then be possible to create a case study on the effectiveness of these organizations. Drawing on information on the specific purposes and goals of these organizations, a framework for delineating the context of measuring effectiveness will be established. This case study will synthesize basic information on the private military corporation as a central means for highlighting key contextual elements of effectiveness. Based on this framework, it will then be possible to effectively evaluate the effectiveness of private military organizations. Results of the case study will then be utilized for comparison to efficiency issues in the private military organization.

3. Case Study on Efficiency

A case study on efficiency in private military organizations will also be needed. This case study will also draw on background information on PMCs in an effort to identify specific efficiency variables that can be used for analysis. Once this framework has been established, it will then be possible to analyze PMCs and their operations to delineate and define efficiency in these organizations. The data from this case study will then be compared with data on the effectiveness of PMCs to garner a more effective picture of private military corporations.
4. **Recommendations**

The final part of this investigation will draw together data from the case studies to make some generalizations about the effectiveness and efficiency of private military organizations. Based on this data, it will be possible to identify key issues for the development and control of these organizations. With this data, recommendations for implementing service will be made. It is hoped that this data will be used to inform policy development in establishing more effective and efficient contracts between private military corporations and the federal government.

5. **Limitations of the Study**

Although this research represents a comprehensive study of private military organizations, the research is based on secondary sources. As such, no empirical data will be collected in the context of this investigation. However, given the relative dearth of information and research on this subject, a clear qualitative basis for further investigation must be established. The case study approach described in this methodology should provide a springboard for further empirical research on this subject.
II. BACKGROUND ON PRIVATE MILITARY CORPORATIONS

A. INTRODUCTION

An overview of what has been noted about the development of private military corporations suggests that these institutions evolved from mercenary operations.\(^{36}\) Although considerable evolution has taken place in the context of private military organizations since the time of mercenaries, the realization that PMCs have their origins in mercenary operations provides a clear starting point for examining the background of private military organizations. As such, this review will consider some of the more notable events that have occurred in the history of evolution of private military corporations.

B. HISTORY OF MERCENARIES

1. Early History: The Roman Empire

As noted earlier, historical analysis indicates that Roman government was among the first state institutions to utilize mercenaries.\(^{37}\) In particular, the Mercenary War that took place in 240 BC is among the first mention of mercenaries in ancient history.\(^{38}\) Researchers examining this event report that the war represented an uprising of various mercenary groups that had been in the employ of Carthage. Having returned home from defending Rome in Africa, several

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\(^{36}\)Doug Brooks, 130.

\(^{37}\)Evelyn Shirley Shuchburgh, 156.

mercenary groups awaited payment for their services from Hamilcar. However, Hamilcar argued that the losses sustained by the Roman army were so substantial that he was not willing to pay the mercenaries. In response the mercenaries waged war against Carthage for more than three years. In the end, the mercenaries won, demonstrating their ability to be both savage and ruthless.\textsuperscript{39} Interestingly, more is written about the Mercenary War than the use of mercenaries in Carthage’s war against Africa.

Not surprisingly, this incidence of mercenary action in the Roman Empire is not the only instance in which the prominence of mercenaries is noted. Dyck, in his examination of Rome’s use of mercenaries, reports that when Gaius Julius Caesar undertook his campaign against the Germans in 58 BC he utilized 400 mercenaries from Germany to successfully push the enemy back into Gaul.\textsuperscript{40} During this campaign, German mercenaries worked on the front lines of the Roman army, utilizing traditional battle tactics such as a columnar or “boar's head” charge. “Ostensibly carried out by a mass of enraged berserkers, such an attack was calculated to break the enemy by its sheer ferocity.”\textsuperscript{41} Dyck insists that Caesar’s use of German mercenaries enabled the Roman army to utilize the barbarity and ferocity of the German army to an advantage.\textsuperscript{42}

\textsuperscript{39}Susan Raven, 37.
\textsuperscript{40}Ludwig H. Dyck. “Gaius Julius Caesar took advantage of his German enemies ferocity by enlisting them in his cavalry.” Military History, 22(4), (2005): 66.
\textsuperscript{41}Ibid.
\textsuperscript{42}Ibid., 67.
2. Britain’s Early Use of Mercenaries

As the Roman Empire began its steady decline, the British Empire began to begin its slow evolution. During the course of this process, historical analysis demonstrates that Britain also utilized mercenaries. In addition to using mercenaries to fight battles against Rome, Britain also used mercenaries to fight internal battles among warring factions within in the state.\(^43\) Later, Britain used mercenaries to fight against the colonist during the American Revolution.\(^44\) What this history suggests is that a closer look at the British Empire and its use of mercenaries is warranted to better understand the evolution of the modern private military corporation.

Millar has examined the utilization of mercenaries by Henry VIII in an effort to wage war on France. According to Millar, Henry established a strong alliance with Spain and the Netherlands; however the army that had been assembled was unprofessional, at best.\(^45\) Further, France had developed a stable permanent army, which was capable to defeating England. In order to win the war, Henry VIII had to employ private mercenaries: “As regards mercenaries, free-lance warriors hired and paid for by Henry himself, about 6,200 were retained: 2,800 men-at-arms, mounted arquebusiers and light cavalrymen, plus 3,400 assorted infantrymen. Among the


mercenary leaders who, at the beginning of the war, can be identified, Germans, Dutchmen, Italians and Spaniards predominate.”

Examining the specific reasons why Henry chose to utilize mercenaries, Millar asserts that while the unprofessional nature of the armed forces was a driving force behind the development of a mercenary army, there was another underlying force shaping mercenary use. “What the English lacked, and what foreign sources alone could supply in quantities, were battle hardened regulars skilled in the latest practices of continental warfare.” In short, England needed individuals that were capable of engaging in fierce combat. Millar goes on to report that while reports of the successes of the mercenaries seem to suggest that these individuals provided Henry with the required services, Henry records the actions of the mercenaries as “no good.”

3. Machiavelli’s Observations on Mercenaries

By the time Britain began regularly employing mercenaries for armed combat, Niccolo Machiavelli had written his seminal work, The Prince. In this work, Machiavelli addressed the use of mercenaries by rulers. Although Machiavelli advocates the limited use of mercenaries in a state or republic’s army, he contends that mercenaries cannot be the sole source of a country’s military power. Machiavelli substantiates this assertion by making the following observations:

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46 Gilbert John Millar, 173.
47 Ibid., 174.
48 Ibid., 175.
Mercenaries and auxiliaries are useless and dangerous; and if one holds his state based on these arms, he will stand neither firm nor safe; for they are disunited, ambitious and without discipline, unfaithful, valiant before friends, cowardly before enemies; they have neither the fear of God nor fidelity to men, and destruction is deferred only so long as the attack is; for in peace one is robbed by them, and in war by the enemy. The fact is, they have no other attraction or reason for keeping the field than a trifle of stipend, which is not sufficient to make them willing to die for you.49

4. Mercenaries in the American Revolution

Despite the fact that such notably negative sentiment had developed with respect to mercenaries, by the time of the American Revolution, the contracting of mercenaries had become a business for many European nations. According to one scholar, “Charles (1670-1730) was the first ruler of Hesse-Cassel to adopt the system of hiring out his soldiers to foreign powers as mercenaries and as a way of improving national finance. Frederick II (1760-1786) hired out Hessians to England for some 3,191,000 British pounds to assist in the war vs. North American colonies.”50 Thus, when the British were only able to muster 55,000 troops for a war against the colonies, the King of England had no choice but to seek support from mercenaries. In many respects the


Hessians that were employed by the British army become one of the most infamous mercenary groups in history.51

A review of what has been noted about Hessian mercenaries employed during the American Revolution suggests that these individuals were among the most demoralized soldiers to work for Britain. “The Hessians who served involuntary under the British colors, at first opportunity, defected. Muster rolls of the Hessian regiments showed that probably more than half simply deserted; and in times settled down as peaceful citizens of the colonies which they had been sent to subdue.” In addition, the Hessians were known for their propensity to turn on the British troops. Many became thieves and looters; most were unreliable in their efforts to provide support to the British military.52

In addition to the inherent problems associated with the Hessian mercenaries, scholars also report that the plight of the Hessians made them sympathetic to American colonists. “It was a policy of the Americans, and approved by the Congress as well and by Washington to lure the Hessians.”53 In many instances, Hessians became so fond of their American supporters that they volunteered to join American forces in battle. After the Revolution, many of the Hessians were relocated to various parts of Pennsylvania, New Jersey and Maryland; few were sent back to Europe.54 Unfortunately, the instability of mercenary forces in the war promulgated defeat for the British. Although mercenaries

51Lee Fleming Reese, 16.
52Ibid., 17.
53Ibid.
54Ibid., 18.
were contracted to improve the outcome for Britain, scholars argue that Hessian mercenaries may have been the deciding force that enabled the colonists to overcome the British and win the war.\textsuperscript{55}

\textbf{C. THE EVOLUTION OF MERCENARIES}

The brief history of mercenaries provided in this investigation demonstrates the complexity of utilizing mercenaries for managing important state affairs. Although mercenaries clearly provide a means to an end in most instances, the reality is that mercenaries were unreliable and often uncommitted to the needs of the state. Further, as this brief history demonstrates, rulers have attempted to diminish the authority of mercenaries by refusing to pay or failing to provide them with the respect of the state. In the end, the use of mercenaries became a tenuous and precarious practice, which contributed to the inability of Britain to effectively overcome colonial powers.

Although the history of mercenaries demonstrates the devolution of mercenary groups—demonstrating them to be nothing more than barbarians, disrespectful of the state—other scholars examining the evolution of mercenaries into private military corporations assert that there were a host of factors that prompted the decline of traditional mercenaries in the nineteenth century.\textsuperscript{56} Specifically, Avant argues that changes in the social and political context of the nation prompted rulers to develop citizen armies that

\textsuperscript{55}Lee Fleming Reese, 19.

could provide the state with a reliable military force. Thus, as citizen armies grew, states had little use for mercenaries.\textsuperscript{57}

In an effort to demonstrate how the need for citizen armies arose, Avant examines the development of these military organizations during the time of the Napoleonic Wars. According to this author, notable changes in the context and demographic composition of society had occurred, prompting leaders to consider the best methods for effective protection of the state. In particular, Avant asserts that the material pressures of society forced the development of citizen armies: "territorial expansion and organizational and technological changes in military organizations were required to respond effectively to this growth."\textsuperscript{58} Additionally, Avant argues that the Age of Enlightenment had brought with it new methods for conceptualizing the relationship between states and soldiers. Avant asserts that the convergence of these two social forces is what prompted the evolution of citizen armies during the eighteenth and nineteenth centuries.\textsuperscript{59}

The decision of various states to move toward citizen armies was clearly fueled by changes in the social context of developing society. However, as Avant reports, many states had come to realize the challenges involved in employing mercenaries. In response to the complexities of using mercenary forces, "rulers entered international agreements to deligitimize the use of mercenaries because

\textsuperscript{57}Deborah Avant, 42.
\textsuperscript{58}Ibid., 44.
\textsuperscript{59}Ibid.
they were concerned with being drawn into war by the actions of their citizens. This concern led states to make it illegal for their citizens to fight abroad, thus eroding the supply of mercenaries.”\textsuperscript{60} Thus, the decision to move away from mercenaries was reflective of the desire by the state to control external conflicts and to improve the outcomes of state building in regional development.

Other scholars have made similar observations about the evolution of mercenaries during the nineteenth century.\textsuperscript{61} For instance, Shearer reports that “with the rise of nationalism in the nineteenth century, the idea of fighting for one's country rather than for commercial interests gained currency. Governments came to command a monopoly over violence and became increasingly keen on limiting the risks to their neutrality that arose when their citizens fought other peoples' wars.”\textsuperscript{62} What this effectively demonstrates is that the problems associated with employing mercenaries had come full circle. Governments, realizing the political issues raised in the context of contracting mercenaries chose to acquire more control of political affairs, making it more difficult for mercenaries to profit from state wars.

1. Toward Private Military Corporations

As the potency of mercenary forces began to wane—as a result of social and political forces—states were still faced with substantial challenges when it came to protecting

\begin{flushleft}
\textsuperscript{60}Deborah Avant, 66-7. \\
\textsuperscript{62}Ibid., 69.
\end{flushleft}
their interests in foreign countries. Brayton in his assessment of the rise of private military corporations asserts that this reality was especially true for weak governments in developing nations. As reported by this scholar:

The increasing inability of weak governments to counter internal violence has created a ready market for private military forces. Fueled by a post-Cold War shift away from the strategic confrontation of major powers in such countries as Mozambique, Rwanda and Sierra Leone, Western countries are more reluctant to intervene militarily in weak states, and their politicians are disinclined to explain casualties to their electorates.

Thus, weak government’s not only found it hard to substantiate their power, but also developed nations in the West were unwilling to provide the military support needed to help embattled governments.

The situation created in the context of weak governments is one that has served as the impetus for the development of the modern private military organization. Brayton goes on to argue that, when originally developed, private military organizations sought to work with state militaries to improve operations. “Their commercial goals are to improve their clients' military capabilities, permitting more effective combat performance and deterrence capability. The companies provide military assessments, training or weapons procurement. Direct involvement in combat is less common, although some companies advertise

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63 Steven Brayton, 305.
64 Ibid., 306.
65 Ibid.
their skill in this area.”66 Further, Brayton goes on to report that the new private military organizations structure contracts such that they are able to avoid the political implications that were once associated with mercenary forces.67

2. Current History of Private Military Corporations

Based on what has been noted about the evolution of the private military corporation, it seems reasonable to argue that these institutions developed out of a direct need for weak governments to assert their power in the context of domestic and regional conflict. Interestingly, however, as noted by Brooks, the modern history of the private military organization is still somewhat difficult to assess. As reported by this scholar, “The international private military services industry is still an infant industry in a state of flux. Essentially, the bulk of the industry has only existed since the end of the Cold War.”68 Although there is a number of small, niche PMCs, larger organizations that offer a wide range of military and military support services are only now emerging.69

Brooks notes that a few PMCs have gained substantial notoriety in recent years. In particular, Brooks notes the success of American-based Armor Holdings. Based in Jacksonville, Florida, the organization began operations in 1969 providing body armor, industrial security and non-

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67Ibid.
68Doug Brooks, 132.
69Ibid., 133.
lethal weapons. Although the organizations struggled to remain solvent in the 1970s, in the late 1990s, Armor was able to increases its revenues, making more than $150 million annually. Armor has engaged in aggressive acquisitions allowing the organization to expand its services to the international community.70 Brooks also considers the development of Defense Systems Limited or DSL. The organization, which is based on England, provides the British military with support on highly sensitive political missions. Additionally, this organization provides service to the United Nations, despite the UN’s desire not to privatize its military operations.71

The assessment of private military organizations provided by Brooks reflects efforts on the part of civilized society to provide military support to developing nations. As reported by this author, private military organizations often choose to focus on peacekeeping, peace enforcement, military assistance and humanitarian rescue operations.”72 Although these goals appear to highlight a more altruistic side of private military organizations, it is important to note that altruism is not always the case.73 In particular, one author contends that, “the development of mercenary firms is directly related to the globalization of the market economy and two major aspects of it: the emergence of a more

70Doug Brooks, 134.
71Ibid., 135.
72Ibid.
violent world and the growing privatization of warfare." What this effectively suggests is that not all private military corporations seek to provide solutions that will facilitate peacekeeping. In many instances, private military organizations have been developed to help weak state governments improve their political and economic hold on a particular region.

D. SUMMARY

The review of the evolution of private military organizations provided here attempts to highlight many of the critical issues that have shaped development of these new institutions. Although private military organizations have moved away from traditional mercenary activities, the research provided here seems to indicate that mercenary forces have come full circle in their evolution to private military organizations. Specifically, this research demonstrates that mercenary forces devolved into chaotic, barbaric organizations that could not be controlled by the state. This coupled with changes in society forced a shift to citizen armies. While this shift meant the ostracism of mercenaries on legal and political grounds, the rise of strong citizen armies created a context in which smaller governments that were unable to raise formidable citizen armies, had few options for protecting their interests.

As a direct consequence of imbalances in political and military power in developing nations, governments soon found that legitimizing mercenary action through the establishment of private military organizations was the most formidable

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74Xavier Renou, 108.
method for protecting the power of the individual state. In the end, private military organizations—regardless of the services that they provide—have become a legitimised mercenary force that evades the political implications associated with traditional mercenary forces. Thus, mercenary forces have come full circle in the establishment of private military corporations.
III. CASE STUDY—THE EFFECTIVENESS OF PMCS

A. INTRODUCTION

With a basic history of the private military corporation provided, it is now possible to look at these organizations in terms of modern development and practice. Although it is evident that the privatization of PMCs have forced these organizations to operate with some degree of effectiveness—in order to remain in business—there is a clear need to delineate how effective these organizations have been in improving outcomes for the state. Only by examining the effectiveness of the private military organization will it be possible to provide a more integral understanding of both the function and important of these organizations for modern military operations.

Although the proposal of examining the effectiveness of private military organizations appears to be quite straightforward, it is necessary to first provide some definition and framework for the specific dimensions of effectiveness that will be utilized in examining these organizations. To this end, this case study first considers a thorough review of what has been noted about the definition of effectiveness. Through a careful examination of this variable, it will be possible to develop a formal framework for evaluating the effectiveness of private military corporations. This framework will then be utilized to provide a clear review of the effectiveness of modern private military corporations.
B. DEFINITIONS AND SCOPE OF EFFECTIVENESS

Based in the data provided above, it becomes evident that a clear rationale for assessing effectiveness in the private military organization must be developed. Thus, in order to develop this rationale, it is first necessary to consider the specific purpose and mission of the private military organization. Reviewing the current literature on this subject, a wide range of duties and responsibilities for the private military organization is revealed. Private military corporations provide states with support that ranges from ancillary support for combat operations to participation in combat activities. Regardless of the specific actions taken by these organizations however, each is charged with providing the state with the key support that it needs in order to ensure success in military operations.

In an effort to better understand the state’s decision to employ the use of private military organizations, Newell and Sheehy argue that the central purpose of employing private military organizations is to improve the effectiveness of the state in its ability to accomplish its military missions. Specifically, these authors explicate this process and rationale as follows:

The privatization of the public sector is a trend in institutionally and economically strong states that has been dominant since the Reagan-Thatcher era. It is driven by the basic belief that governments are inefficient suppliers of goods and services, and by political commitment to the philosophy that such government activity impinges on the liberty of citizens. These beliefs

75 Doug Brooks, 130.
translate into a policy that seeks to maximize efficiency and effectiveness while minimizing the costs to the state and requires the introduction of competition into previously closed public sectors.\textsuperscript{76}

These authors go on to argue that this process creates a situation in which specific roles once filled by the state are not provided by the public sector. In this context greater accountability for action and outcomes becomes critical for assessing these organizations.\textsuperscript{77}

Placing these assertions into the context of the models provided by Childers and van House for evaluating the effectiveness of the organization, it appears as if the goal model and open systems model need to be converged in order to comprehensively understand and define effectiveness in the private military organization. In terms of the goal model, the overarching goal of the state in achieving success in its military operation must be accessed, rather than the specific goals of the PMC in individual military operations. In the context of the open system model, the effectiveness of the private military organization should be reflected in the willingness of the state to continue to hire private military organizations for resolving conflict. In short, if PMCs perform their duties correctly, states should win their military campaigns and continue to seek the support and assistance of private military organizations.

\textsuperscript{76}Virginia Newell and Benedict Sheehy, 83.\textsuperscript{77}Ibid.
C. EFFECTIVENESS OF PRIVATE MILITARY CORPORATIONS

With a specific framework for the examination of effectiveness in private military organizations developed it is now possible to provide a review of what has been noted about these particular parameters of effectiveness. This review will consist of the literature available on operations of private military organizations in helping states secure military victories. Further, this review will consider the extent to which private military organizations continue to be utilized as a principle force for improving the outcomes of military operations.

1. Private Military Corporations and Success

A critical review of what has been noted about the success of the private military corporation seems to suggest that, in most instances, these organizations have been highly successful in helping states achieve their goals. Jackson, in his review of the overall success of private military organizations argues that in terms of international peacekeeping missions undertaken by organizations such as the United Nations, private military organizations have been quite successful.\textsuperscript{78} Specifically, this author makes the following observations: “Despite their negative image, many of these PMCs were in many cases more effective in resolving conflicts than the international community, took an active interest in the well-being of the local population and cannot be blamed for the fact that the long-term stability did not come to the countries in which they operated.”\textsuperscript{79}

\textsuperscript{78}Paul Jackson, 32.
\textsuperscript{79}Ibid., 33.
Brayton has also noted the success of private military organizations. Specifically, this author examines the outcomes for Executive Outcomes in both Angola and Sierra Leone. According to this author, in 1993 rebels from the National Union for the Total Independence of Angola (UNITA) took control of oil reserves during the Angolan civil war. In an effort to regain control the state contracted with Executive Outcomes to remove UNITA from power. The organization quickly seized control of oil operations with minimal casualties and damage to equipment. As a result of the success of this operation, Executive Outcomes was awarded a permanent contract for protecting the country’s oil reserves.\textsuperscript{80}

In 1995, the government of Sierra Leone faced substantial problems as rebels had taken control of key diamond mines in the country. Executive Outcomes was contracted to remove the rebels from power. The organization accomplished its goals in a timely manner, restoring government control over the diamond mines. Executive Outcomes remained in Sierra Leone to provide support for local militias battling the rebel Revolutionary United Front (RUE). After 22 months, the government was again able to regain control of the country from rebel leaders. Brayton notes that services provided by Executive Outcomes totaled $35 million. Although this cost was more than one-third of the country’s annual defense budget, this cost was considered to be a bargain compared to the services provided by the UN observer force, which supplied military support.

\textsuperscript{80}Steven Brayton, 304.
after the conflict was resolved. For only eight months of service, the UN observer force cost the government more than $47 million.\textsuperscript{81}

Even though there is evidence that private military organizations have indeed created notable advantages for resolving short-term conflict, there have been concerns raised about the ability of these organizations to address the long-term problems faced by the state. For instance, Newell and Sheehy make the following observations about the failures of private military organizations: “Lacking public accountability, corporations frequently fail to operate facilities and offer services with an eye to the public good. While they can hardly be faulted for this—after all, public good is not their province—they are responsible for failing to fulfill properly their contractual obligations.”\textsuperscript{82} These authors go on to notes that the failure of private military organizations to successfully provide service has forced some states to consider “de-privatization” of some military operations.\textsuperscript{83}

Schwartz and Watson have also noted some problems with the overall effectiveness of private military organizations. In particular, these authors note the challenges that have developed in the context of using these organizations to fight the war on drugs in South America. While most short-term operations are successful these author report that when missions are not successful, the U.S. military is expected to intervene in order to complete the mission and resolve

\textsuperscript{81}Steven Brayton, 305.
\textsuperscript{82}Virginia Newell and Benedict Sheehy, 84.
\textsuperscript{83}Ibid.
the problems encountered by the PMC. Critics of PMCs have argued that, "There's a great lack of transparency when you contract out, yet if something happens, we're supposed to use our military to go in and rescue them and get involved in other conflicts." 

Isaac and Harrison further scrutinize the success of private military organizations arguing the scrutiny of these institutions has yielded a number of notable problems. "PMFs [private military firms] and their employees have been accused of not having the requisite integrity for combat operations, of overcharging clients, of corruption and war profiteering." In addition, these organizations have been accused of utilizing their ambiguous legal status to garner immunity for most of their actions. Thus, while private military organizations may be successful in their efforts to quell conflict, the methods used to achieve these ends draws into question the overall ability of these institutions to be effective for meeting the goals of the state in terms of the push toward privatization in military operations.

2. Private Military Corporations and Extent of Their Employment

In addition to assessing the success of actions taken by private military organizations, some assessment of the

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85 Ibid., 102.
87 Ibid.
extent of their use must also be taken into consideration. Whyte, in his examination of the use of private military organizations by the United States reports that the utility of these organizations has been codified in the development of specific legislation that governs the use of services from these companies. Specifically, this author reports that, “Under the United States regulatory system, providers of military goods and services must register with the State Department. Any contracts worth more than $50 million must be notified to Congress. Contracts with foreign governments are also arranged indirectly through the Pentagon’s Foreign Military Sales Department without the need for a license.” What this effectively suggests is that PMCs have become so widely utilized in the United States that formal protocols to regulate the actions of these organizations has been established.

The formal protocols that have been established by the U.S. government have served as the impetus for shaping the utilization of these organizations by foreign governments. Whyte goes on to report that when foreign countries contact the U.S. for military support, the U.S. government often makes recommendations for contracting with PMCs. “PMCs are now commonly contracted by foreign governments on the recommendation or encouragement of the United States Defense Department. Saudi Arabia, Kuwait, Brunei and Malaysia have all more recently been party of major contracts with PMCs

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89 Ibid., 590.
Based in the United States." Thus, the success of private military corporations has been legitimated through the development of a formal process for utilizing PMC service and providing recommendations for PMC service to other states.

Other scholars examining the utility of private military organizations assert that these organizations are more widely utilized by states because of the capabilities of these organizations. In particular, one scholar reports that, "PMCs are said to have the advantage of being highly flexible and to have the ability to put forces in the field extremely quickly, as well as not having the need to go through a cumbersome approval procedure to do so." What this demonstrates is that there are specific characteristics of the private military organization that make them easier to use than traditional military forces. These characteristics increase the utility of these organizations.

Another measure of the extent of use for private military organizations can be seen in the current war in Iraq. According to Roseman:

According to officials of the U.S.-led Coalition Provisional Authority, there are about 20,000 private security contractors in Iraq, including Americans, Iraqis and other foreigners. An investigation done by The Guardian estimates those private contractors are the second largest contingent of armed forces in Iraq. Other sources estimate that private military and security

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90 Dave Whyte, 590.
91 Paul Jackson, 32.
92 Ibid.
contractors are contributing as much as 20 percent of the total U.S.-led occupation force.\textsuperscript{93}

This author goes on to report that as many as 35 corporations have been contracted by the U.S. government to provide various services in Iraq. These services range from providing support services to military personnel to full combat support, which includes security and intelligence patrolling.\textsuperscript{94} In particular, Roseman notes the case of Dyncorp, which is providing training the Iraqi police force.

Taulbee has linked the utilization of private military services to the overall success of these organizations. As reported by this author, the dramatic increase in the use of private military services by states in recent decades is a clear indication that these organizations provide some degree of success for military operations.\textsuperscript{95} “Their success depends on generating business on an ongoing basis, presumably with question of profit, loss, growth and sustainability guiding decisions.”\textsuperscript{96} What this implies is that the utilization of PMCs is an indication of their success and the success of PMCs serves as the impetus to increase their use by state leaders. Based on these parameters, one could argue that private military organizations have indeed been effective in their operations.


\textsuperscript{94}Ibid.


\textsuperscript{96}Ibid.
D. ANALYZING THE DATA

1. General Observations

The information provides a mixed picture of the effectiveness of the private military organization. For instance, while information on the success of these organizations suggests that private military organizations have proven to be quite capable in effectively creating short-term conflict resolution, these organizations do not provide substantial long-term support in this area.97 Further, while private military organizations have been successful in providing support in specific conflicts, the development of these organizations raises a number of issues with respect to the legal and moral obligations of the state and of PMCs.98

The questions of success that have been raised in the context of the private military organization appear to stem from the difficulties that states have in defining and establishing the role of these organizations in the context of both domestic and international law. As noted by one scholar:

The central question is essentially whether or not PMCs should be allowed to engage in security or other military-related activities without being placed under the control of national or international organizations, and, by implication, international law, or if ‘private enterprise’ should be allowed to flourish in the same way as the market for any other good.”99

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97Paul Jackson, 33.
98Ibid., 34.
99Ibid.
When placed in this context, it would appear as if the issue of defining the role of the private military organization in the larger context of the state is now becoming a central issue for understanding and evaluating these organizations. In Chapter II a review of the transformation of the private military organization revealed that in the twentieth century, the private military organization evolved as an institution of private operation that was independent of the state. This process of evolution was necessary to ensure that the political actions of the organization would not interfere with the political action of the state. When mercenaries were contracted by the state, the state typically became politically involved in conflicts in which it had no vested interest. To avoid this pitfall, private military organizations were effectively separated from the context of the state.

While this process has ensured that the U.S. and UK do not become embroiled in conflicts such as those that occurred in Angola and Sierra Leone in the early and mid-1990s, this process has also created a caveat in defining the role of the private military organization in the context of law. States are now finding that private military organizations are not susceptible to the same national and international laws as formal military institutions. As such, the same parameters of effectiveness that can be utilized to assess the effectiveness and success of military operations are not suitable for the assessment and evaluation of private military organizations. Thus, while effectiveness in private military operations can be seen in both the short-
term successes and proliferation of service use by states, there are a host of legal and moral issues that can impact overall assessment.

2. Challenges with Private Military Corporations

To illustrate the challenges involved in the context of private military corporations and their success and failure, one only needs to consider the current case of Kellogg Root and Brown (KRG), the subdivision of Halliburton that is providing private military support for operations in Iraq. While critics examining this case are quick to note that KRG has made very little profit from its operations in Iraq—as the work has proven to be more complex and dangerous than originally expected—there is considerable speculation that the organization has engaged in deceptive billing practices, inflating its costs to garner a higher profit for its services.100

Although the allegations made in this context lie outside of the parameters of success and use of private military organizations, they clearly highlight the challenges that exist when it comes to assessing the effectiveness of the private military organizations. While KBR may have been effective in delivering service to the U.S. military, the success has clearly come at a price. The same can be said for utilization. Because the specific relationship between the state and the private military organization has not been definitively established, that which constitutes success can be a variable reality. In

short, success can be achieved through lying, cheating and stealing. However, when these parameters are applied, is it fair to argue that success has been achieved?

Arguably, the methods that private military organizations utilize to achieve their success must have some bearing on assessment of success and effectiveness. With this in mind, the importance of examining the activities of private military organizations in the context of the goals of privatization becomes more evident. At the outset of this investigation into effectiveness of private military organizations, it was argued that the services of private military organizations were tapped in an effort to improve and enhance the ability of the military to carry out its missions. Based on this implied position, private military organizations should be held to similar or higher standards than traditional military organizations.

Through the process of privatization, government leaders admit that they cannot effectively manage military operations. As such, the contracting with private military organizations suggests that these companies can meet the needs of governments and citizens more effectively. Given that the services of PMCs are used as a substitute to government military support, this implies that private organizations will operate in the same legal and ethical parameters as traditional military organizations. Thus, even though the role of the private military organization in the larger context of the state has not been clearly defined, there is an implicit relationship that has been developed through the process of privatization.
When placed in this context, it becomes evident that both the successes of private military organizations and the proliferation of use cannot be upheld as uncomplicated measures of effectiveness. Rather, the problems experienced by PMCs in providing service coupled with the reasons for the proliferation of PMC use must also be addressed in the context of assessment. When these issues are brought into the process of evaluation, it becomes evident that the effectiveness of private military organizations is compromised. Thus, while PMCs may be able to provide targeted support for military operations, this support can come at a cost to the underlying principles of privatization.

The realization that the effectiveness of private military organizations cannot be definitively established is not meant to further sully the reputation of these organizations. Rather, the inability to argue that these institutions are effective brings to light the need to make calculated changes in these organizations. Based on the research provided in this case study, private military organizations have the ability to provide formidable service that is cost effective for governments and citizens. However, the context of effectiveness must be considered when the actions that must be taken by PMCs to fulfill their obligations fall outside of the parameters of traditional military organizations.

Although this application of context to effectiveness provides a more integral method for examining the effectiveness of private military organizations, it also creates a paradox. For example scholars report that private
military organizations are often tapped because they are able to overcome bureaucratic inefficiencies and provide faster service.\textsuperscript{101} Holding the PMC to the standards of state military forces would engender certain bureaucratic controls that would invariably impact the effectiveness of the private military organization. In the end, holding the PMC to the standards of traditional military organizations would drastically affect their overall effectiveness.

The challenges brought to light in addressing the effectiveness of the private military organizations demonstrate the true complexities involved with assessment of the organizations. However, as private military organizations consume more taxpayer monies, there will be a direct impetus for improving the evaluation of effectiveness in these organizations. With this challenge there is a need for the state to more definitively define the role of the private military organization. If the state argues that the effectiveness of these organizations is to be judged solely on outcomes, the manner by which PMCs achieve their objectives will become irrelevant. Until this justification is made however, debate over the formal context in which operations take place in PMCs will remain an issue of contention for government leaders.

E. CONCLUSION

The most interesting from this review of the effectiveness of private military organizations is the challenges that this process demonstrates when it comes to keeping private military organizations as independent

\textsuperscript{101}Paul Jackson, 32.
military units outside of the context of the state. Even though state governments make the delineation to prevent undesired political conflicts, this process also prevents a clear understanding of how domestic and international law should be applied to these organizations. Further, this situation also creates a caveat in how moral and ethical issues should be applied. While better definition could improve this situation, a stricter definition would place more restriction on private military organizations, making them less effective.

In the end, the challenges for society and government remain to more succinctly define the role that the private military organization should play in the state. Even though more definition may place some restrictions on the private military organization, it is evident that the actions of these organizations need to strike some balance between the need for efficiency and the purposes of privatization. As the expansion of this field continues, it is likely that policymakers and scholars will have to reach some consensus on this issue. Billions of tax dollars are spent on the services of private military organizations each year. Thus, accountability for the decision of the government to utilize taxpayer funds will have to be substantiated. Without clear parameters for assessing and defining effectiveness, governments will not be able to support decisions to use PMC services.
IV. CASE STUDY—THE EFFICIENCY OF PMCS

A. INTRODUCTION

In addition to examining the effectiveness of private military corporations, it is also important to consider the efficiency of these organizations as well. Although efficiency appears to have a universal meaning, much like the term “effectiveness” the context of the term must be delineated before a clear understanding of its meaning can be determined. Thus, in order to evaluate the efficiency of the private military corporation, it is necessary to first consider how efficiency is defined in general terms and then to consider how the term should be defined in the context of PMCs. Once a clear understanding of efficiency has been provided, only then will it be possible to evaluate the efficiency of the private military organization.

B. DEFINITION OF EFFICIENCY

The data presented here creates somewhat of a dilemma when it comes to defining the term “efficiency.” Although there appears to be a general consensus that efficiency measures outputs as compared to inputs, the challenges and outcomes of efficiency have been debated to some degree. For instance, efficiency has been demonstrated to have clear ramifications for equality.102 However, in some disciplines, scholars assert that efficiency and equality can be balanced.103 Thus, this raises the question of how

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102Guoli Liu, 163.
103Don Nielsen, 5.
efficiency should be considered in examining the private military organization. With such a myriad of methods available to measure efficiency, some consideration of this issue in the context of this organization must be utilized in order to determine the correct parameters for analysis.

With the realization that efficiency in the private military organization may be difficult to define overall, finding a suitable framework for analysis is a critical issue of concern. Given the private military organizations are geared toward providing support for military operations, it seems reasonable to argue that efficiency in the military would provide some basis for understanding efficiency in the private military organization. Kelty in his examination of how efficiency is created in the military asserts that efficiency is established through the development of cohesion among individuals in the organization.\textsuperscript{104} To demonstrate this point, Kelty makes the following observations: “Within a group, cohesion can increase speed, quality of work, confidence and morale. [...] The sharing of common goals and common connection of being ‘brothers in arms,’ as well as the potential for lethal consequences if jobs are not done properly engenders interdependence manifested as cohesion.”\textsuperscript{105}

By the parameters outlined by Kelty, efficiency in the military organization is achieved through the creation of


\textsuperscript{105}Ibid.
cohesion among individuals working toward the same goal. When cohesion is achieved, the military operation can work more efficiently toward achieving its goal. Thus, the efficiency of the military organization is related not only to the success of operations, but also in the context of how swiftly and quickly success is achieved. When efficiency in the military organization is high, this organization will be able to successfully achieve goals in a manner that is efficient. This efficiency can be measured in terms of time or costs in order to highlight the quantitative aspect of efficiency.

While an examination of traditional military organizations provide some foundation for assessing efficiency in PMCs, it is important to note that the PMC, unlike the traditional military organization, is a private organization. For this reason, some of the general definitions of efficiency that have been highlighted in the context of other markets must be considered for application to the PMC. Without some consideration of these issues, an important dimension of the PMC—i.e. its public context—will be excluded, making it difficult to differentiate the PMC from traditional military organizations. In short, some consideration of the economic aspects of organizational performance must be addressed in the context of examining the efficiency of private military organizations.

C. EFFICIENCY OF PRIVATE MILITARY CORPORATIONS

Given the important of both military and private efficiency issues to the private military organization, it is evident that both of these issues must be applied in order to develop an overall picture of efficiency in these
organizations. Using this as a foundation for investigation, it is now possible to consider what evidence has been provided that demonstrates the efficiency of the private military organization in these two contexts. By synthesizing what has been recorded on these two issues, it will be possible to draw some conclusions about the efficiency of the private military organization. The conclusions drawn should provide an all-encompassing understanding of efficiency, in that they will enable a comprehensive review of various aspects of efficiency in the context of the private military corporation.

1. Economic Efficiencies

A precursory overview of the literature that has been recorded on the efficiency of private military organizations demonstrates that economic issues have been widely examined in with respect to this particular issue. For instance, Lawyer has examined the costs associated with PMC and United Nations Peace Keeping (UNPK) forces in resolving conflicts in Sierra Leone and Angola.¹⁰⁶ Table 1 below provides a review of the costs associated with each military operation.

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Table 1. Costs Comparison for PMC and UNPK Operations$^{107}$

<table>
<thead>
<tr>
<th></th>
<th>Sierra Leone PMC</th>
<th>Sierra Leone UNPK</th>
<th>Angola PMC</th>
<th>Angola UNPK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Costs (US$)</td>
<td>25m</td>
<td>1.238b</td>
<td>60m</td>
<td>626m</td>
</tr>
<tr>
<td>Costs per month (US$)</td>
<td>1.19m</td>
<td>19.4m</td>
<td>2.06m</td>
<td>5.09m</td>
</tr>
<tr>
<td>Total Personnel Deployed</td>
<td>350</td>
<td>11,797</td>
<td>550</td>
<td>7,934</td>
</tr>
<tr>
<td>Costs per Personnel (US$)</td>
<td>$71,429</td>
<td>$108,756</td>
<td>$109,090</td>
<td>$78,900</td>
</tr>
</tbody>
</table>

What this data clearly demonstrates is that the economic efficiency of private military organizations in both Sierra Leone and Angola were much higher than those for United Nations Peace Keeping forces. Although expenditure per individual was higher for the PMCs used in the Angola mission, fewer individuals were used and overall costs for the operation were much lower than for the UNPK forces.

While Lawyer is able to effectively demonstrate that cost savings can be acquired in the context of utilizing private military organizations, this author also effectively argues that PMCs enable much more efficient resolution of armed conflict. As reported by this author, third party intervention between warring parties is often the most viable means to ensure that a conflict will end. Although

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$^{107}$Jared F. Lawyer, 103.
both UNPK forces and PMCs provide this intervention, Lawyer asserts that PMCs have been more effective in their efforts to reduce conflict because of their willingness to use force if necessary to resolve a conflict. As reported by this author, “the only type of peacekeeping that appears to help end a war is that which is backed by a promise to use force. Observers or unarmed peacekeepers with no military backup will have little positive effect on either negotiations or treaty implementation.”\textsuperscript{108} Biased intervention clearly has a direct impetus for creating a definitive end to conflict.

When placed in this context, Lawyer insists that private military organizations not only offer more economic efficiency, but also these organizations offer this economic efficiency without compromising the needs of the consumer—i.e. the government or organization that has purchased the services of the PMC. Thus, the private military organization, as examined by Lawyer, provides all of the benefits of efficiency without any of the drawbacks. Interestingly, other scholars seeking to understand the efficiency of these organizations have also noted the observations of economic efficiency in private military organizations made by Lawyer.

Hukill in her examination of the economic efficiencies of private military organizations notes the costs associated with proposed plans to reduce armed conflict in Sudan.\textsuperscript{109} While the UN Security Council has put no official action in place, Hukill reports that U.N. Secretary-General Kofi Annan

\textsuperscript{108}Jared F. Lawyer, 101.

has proposed spending $418 million to provide a 5,600-man operation in the region. Compared with the $30 million estimate provided by private military companies to perform the same job, the economic efficiencies of the PMC are clearly demonstrated. Private military organizations would reduce the cost associated with the operation and utilize fewer personnel to complete the mission. Despite the notable cost savings however, Hukill asserts that there is considerable resistance to utilizing PMCs for the purposes of peacekeeping missions.\footnote{Traci Hukill, 1526.}

Considering the specific problems that have been noted in the context of using private military corporations for peacekeeping missions once exclusively handled by the United Nations, Hukill reports that “They undermine the principle that the state should have a monopoly on organized violence; they lure away, with high salaries, special forces in whom the military has invested heavily; they operate beyond the public's field of vision; and they're functionally accountable to no one.”\footnote{Ibid.} Thus, while the benefits for ending the conflict can be contained within clear parameters of cost savings, there is some concern that private military organizations may have a detrimental impact on the authority of the state and the development of fair and equitable outcomes for all parties involved in conflict. This clearly demonstrates the problem of creating inequality at the expense of efficiency as noted by Liu.\footnote{Guoli Liu, 163.}
The economic efficiencies of private military organizations have also been examined in the context of the cost savings that can be acquired by the federal government. “Privatization, in particular, can help meet military needs by recapitalizing programs that cannot be adequately funded through annual budgets. [...] ...businesses, using different financial concepts and tools, may be able to justify—and spread—such investments over time and invoke more efficient capital-budgeting decisions.”\(^{113}\) Overall, the costs of operating a modern military have become so extensive that the federal government has found that private military organizations often offer a cost conscious alternative to meeting the military needs of the state.

Despite the fact that numerous scholars have come forward to argue in favor of the cost efficiencies of private military organizations, there are scholars that believe that public military organizations are best suited toward managing the needs of combat operations.\(^{114}\) In particular, one scholar insists that the uncertainties associated with combat make the public military organization the most effective method for addressing the needs of the state:

First, there are inevitably uncertainties that may greatly change the quantity of resources needed to accomplish a particular objective. Indeed, the objective itself may change, if, say, another state launches hostilities. Contracts


cannot be drawn to well cover such unforeseen contingencies. Second, asset specificity is an issue. Much military training has little value in alternative uses and, with the exception of small arms and some vehicles; military hardware does not have non-military uses. Finally, probity is crucial. The head-of-state must be confident of the loyalty of the leadership and personnel of the defense agency.\textsuperscript{115}

Because these issues cannot consistently be guaranteed in the context of each military mission, there are no real economic efficiencies that can be garnered by using the services of the private military organization.

In addition to the fact that there are such notable uncertainties that can limit the cost effectiveness of private military organizations, Fredland also argues that private military operations do not ensure that collateral damage is minimized during operations. Fredland insists that because casualty issues are not a principle concern for private military operations, the costs and successes of these operations can be maximized. Fredland alludes to the fact that some cost justification in terms of the number of lives that are lost, as a direct result of using private military organizations as opposed to traditional public organizations should be taken into consideration when examining the cost efficiencies of private military organizations.\textsuperscript{116}

Even the U.S. government reports some degree of inefficiency in the utilization of private military organizations for rebuilding Iraq. In particular, a recent

\textsuperscript{115}Eric J. Fredland, 210.
\textsuperscript{116}Ibid., 216.
report released by the U.S. General Accounting Office (GAO) demonstrates that of the 15 percent of the budget allocated for reconstruction in Iraq, eight percent was being utilized to secure private military support for contractors working in the country. The costs for providing private military support have been so high because of the evolving nature of the conflict in the country. As the conflict changes and intensifies, the U.S. government is witnessing a high turnover among private military contractors. For this reason, the costs associated with this process have increased dramatically.\textsuperscript{117}

Although high turnover in private military contracts is having a negative impact on the ability of the U.S. government to efficiently rebuild Iraq, the GAO further reports that the services of these organizations are needed. Despite the fact that the U.S. military can provide the security needed, the central goal and focus of the military is not to provide support for private rebuilding operations in Iraq. Thus, even if the U.S. military had the effective manpower needed by contractors, the public military is not trained or prepared for providing this type of support in the development of the Iraqi state.\textsuperscript{118} For this reason, the federal government has few alternatives for ensuring the safety and security of private contractors working to rebuild Iraq.

Iraq is not the only instance in which inefficiencies in using private military organizations has developed. One


\textsuperscript{118}Ibid., 3-4.
A scholar reports that private military organizations that were employed by Bush in 1998 and subsequently Clinton in 1992 to manage the war in Somalia clearly created substantial budget problems for the U.S. government. The original mission developed under Bush was to employ 2,500 private military personnel at a price of $180 million. After more than 4 years in the country, the cost of the operation had mushroomed to more than $2.5 billion as private military organizations—principally Halliburton—built Camp Bondsteel and other extravagant military facilities in the region. The money spent by the private military organization went virtually unchecked by the U.S. government.

The cost efficiency issue in private military organizations stems from the need to analyze the specific context of how contracts are developed when PMC services are utilized. As reported by Markusen, PMC contracts are unique because they contain particular clauses that allow these organizations to achieve cost efficiency to ensure internal economic performance. According to this author, “Several Pentagon contracts are ‘cost-plus,’ meaning the companies recoup their costs, including a portion of overhead, and are guaranteed a percentage of the costs as profit—a recipe for cost inflation.” To illustrate this point, this author notes the contract that the Pentagon has established with Halliburton. In this contract Halliburton has been granted a

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120 Ibid., 6.
multibillion-dollar contract to provide private military support to the U.S. military for 10 years. Of this total cost, Halliburton will be awarded 1 percent of the total costs of service in profits.122

The problems with effective cost analysis highlighted by Markusen bring to light the challenges associated with developing a clear understanding of the cost efficiencies of private military operations. Markusen asserts that while some estimates of cost efficiency demonstrate that these organizations can save the government between 20 and 30 percent of the costs associated with traditional military operations, these cost savings are only estimated in the context of the initial contract. When the final contract is developed and the government must allocate the funds for the private military organization, specific clauses such as the ‘cost plus’ clause will have a direct impact on the overall cost savings that are garnered by the U.S. government.123

Despite, what appears to be, clear evidence that private military organizations may not be as economically efficient as public military organizations, the number and extent of these operations continues to proliferate. In order to demonstrate this point, one author notes the growth in this industry that has occurred in recent years as the United States has attempted to address the issue of global terrorist organizations and the war in Iraq:

Established companies have expanded; new ones have sprung up. Control Risks, a consultancy, now provides armed escorts. It has 500 men guarding British civil servants. Global Risk Strategies

122Ann Markusen, 25.
123Ibid., 26.
was a two-man team until the invasion of Afghanistan. Now it has over 1,000 guards in Iraq--more than many of the countries taking part in the occupation.\textsuperscript{124}

The expansion and proliferation of private military organizations seems to suggest that these organizations provide some type of efficiency. If efficiency could not be achieved in these organizations, why then would governments such as the United States continue to utilize their services?

2. \textbf{Internal Efficiencies: Cohesion}

While the issue of economic efficiency is one issue that must be assessed in the context of private military organizations, the internal efficiency of these organizations in terms of cohesion and cooperation must also be considered. Although it is difficult to measure this variable overall--as few studies have been commissioned to look at the activities of private military organizations from the inside out, there are some reports in the literature of how well these operations functions during times of crisis. For instance, Bures, in his review of private military organizations notes the case of Executive Outcomes (EO) and its report to the UN Security Council about potential operations in Rwanda. Although the UN chose to utilize its own forces in the conflict, a report provided by EO notes that, “EO concluded...that it had had the capacity to intervene in Rwanda at the time of the genocide. It claimed that it could have had its first armed troops on the ground in 14 days and have fully deployed 1,500 personnel,

supported by its own air and fire support, within six weeks." This operation would have unfolded and allowed for troop deployment in a much shorter time frame than what was achieved by UN Security Council forces.\textsuperscript{125}

This author also goes on to report that there are instances when private military organizations have been shown to provide services that cannot be otherwise accessed by institutions such as the UN Security Council. For instance, in a mission to Zaire (now DRC) the UN Security Council found that private military organizations could deploy within 30 to 90 days providing "services and specializations not normally available from the troop-contributing states, including high-tech aerial surveillance, rapid police reaction and humanitarian rescue capabilities."\textsuperscript{126} What this effectively demonstrates is that private military organizations not only have the capability of organizing much faster than traditional militaries, but also that these organizations have the capacity to coordinate highly complex operations that cannot be coordinated by public military organizations.

Other scholars examining this issue have made similar observations. In particular, one author reports that, "They [PMCs] often possess great flexibility, with an ability to create unique solutions for each case, knowledge about the problem area and operational expertise, business integrity, secure confidentiality, and a generally apolitical

\textsuperscript{126}Ibid.
nature.”¹²⁷ This scholar goes on to report that the specific context of this process is often the principle reason why governments and other organizations hire private military organizations. The ability of PMCs to mobilize more rapidly and to provide specific services provides these organizations with a notable competitive advantage that simply cannot be garnered through the use of public military organizations.

Even though the above suggests that the private military organization has developed and implemented the structures needed to provide quick response to a military operation, a recent study published by the RAND Corporation notes the inherent risks associated with a lack of military hierarchy in the private military organization. According to this organization, although private military organizations are interested in maintaining their position and public image as definitive alternatives for public military institutions, the lack of formal structure in these organizations makes it difficult for managers and leaders of these organizations to ensure employee compliance. In particular, this organization reports that, “In an undeclared war, contractor personnel are not subject to the Uniform Code of Military Justice (UCMJ). [...] Even if a commander could legally direct contract personnel to do something, the commander would have no immediate recourse if they refused to comply.”¹²⁸ This inherent lack of control,


experts contend, makes the internal operation of the private military organization much more inefficient.

Despite the fact that notable issues have been raised in the context of organizational structure and cohesion in the private military organization, proponents of these organizations argue that these structures are essential to the successful operation of the organization. Specifically, one author asserts that, the private military organization is structured such that, “There are few layers of hierarchy, there is a simple, unified chain of command and there is little horizontal differentiation. [...] The advantage of such a structure is that it can improve communication and is flexible. Neither does the structure function mechanically, but organically, making it better suited to rapidly changing environments.” What this effectively suggests is that the specific structure that has been created in the context of the private military organization is essential for successful operation. Even though it is difficult for the organization to ensure compliance, a decentralized structure that limits bureaucracy is essential if the private military organization is to provide efficient service.

D. CONCLUSION

In an effort to evaluate the efficiency of private military organizations, this case study sought to examine the PMC along two specific criteria: cost efficiency and

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cohesion/cooperation. Considering first the issue of cost efficiency, the data presented in this case seems to suggest that while some areas of cost efficiency have been noted, overall private military organizations have not definitively proven themselves to be cost efficient entities. In many instances, the costs of PMC operations are examined in the context of initial contracts and estimates provided by leaders in these organizations. When only these specific issues are taken into consideration, the costs associated with PMC operations appear to be much lower than public military operations. However, when the final cost estimates are examined, private military operations often cost substantially more than their original estimates. Thus, there are few clear methods for evaluating the cost efficiency of these organizations.

In addition to cost, the cohesion/cooperation that exists in private military organizations was also assessed. Based on the data presented here, it is evident that private military organizations clearly pose a paradox for assessing internal structure as a means to achieve efficiency. Even though private military organizations appear to be efficient in their ability to provide services in an expedient manner, the lack of central control in the organization has been noted to be a key factor limiting the efficiency of the organization. Thus, while private military organizations may be able to provide rapid response and further provide services that cannot be provide by traditional military forces, the inability of leaders and managers in these

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130Christopher Kinsey, 191.
organizations to guarantee control over employees can make it difficult for private military organizations to be efficient in their operations.

With data on both cost and internal efficiency highlighted, it seems reasonable to argue that while there are some indications that efficiency can be achieved in private military organizations, ensuring efficiency is a notable challenge. The very context and structure of the private military organization creates inherent problems that make it difficult for the organization to operate in an efficient manner. Further, given that there are few controls placed on these organizations—either internally or externally—creating efficiency in these organizations represents a notable challenge. While proposals have been made to provide further control and restriction on these organizations, the imposition of rules on private military organizations would diminish any efficiency advantages that these institutions may have.

In the end, it is difficult to argue that private military organizations offer an efficient alternative to traditional state-sponsored military operations. This is especially true in the context of governments such as the United States that have formal military organizations that are well developed. Even though private military organizations may provide developing nations a strategic advantage for improving conflict outcomes, the efficiencies of these organizations when used by governments of developed nations simply cannot be substantiated based on current data.
V. CONCLUSIONS AND RECOMMENDATIONS

A. SUMMARY OF THE DATA

Based on the data that has been provided in this thesis, there are several conclusions that with respect to the modern private military corporations (PMC). First, PMCs clearly evolved from mercenary groups that were state sponsored and employed to improve both the economic and political position of a particular government. Second, modern private military organizations have developed so that mercenary actions performed by these organizations have no definitive legal or political ties to the state which sponsors them. For this reason, private military organizations operate with the intention of providing military services for profit, regardless of the state’s overall political affiliation or its compatibility with the PMC in question.

Finally, this research demonstrates that even though private military organizations have been widely used by the United States and other governments, a clear understanding of the purpose and function of these organizations is not easy to generalize. While some private military corporations provide direct combat services, others provide ancillary services—such as laundry and food preparation. Although there are notable differences in the services that are provided, few scholars assess those differences in their overall indications. With this in mind, one can see that even though it is possible to understand the origins, development, and function of the modern private military
organization, comprehending degrees of efficiency and effectiveness is a difficult undertaking. Even when empirical data is provided which demonstrates efficiency or effectiveness, the degree to which specific operations in private military organizations can be separated and evaluated complicates interpretation of the data.

With no real theoretical frameworks in place to assess these organizations based on their function, military specialists, leaders and policymakers are without established methods for determining the effectiveness and efficiencies of these organizations. This research does provide, however, a salient starting point for developing critical foundations for classifying, assessing and evaluating these organizations. Given the paucity of analysis that has been provided in the current literature with respect to these issues, it is imperative to develop a framework for understanding the effectiveness and efficiency of these organizations. Only by establishing basic parameters for evaluation will it be possible for scholars and governments to garner a clear understanding of efficiency and efficacy in PMCs.

It is evident that this is the time in which the most critical decisions about the contemporary use of PMCs, both militarily and legally, will be made. According to the study made for Congress by Elsea and Sarafino on June 21 of 2007, updated July 11, 2007, the degree to which private military corporations have been included in the Iraqi conflict is unprecedented.131 What this means is that the current Iraqi conflict will be the military conflict upon which the most

131Jennifer K. Elsea, l.
important decisions regarding PMCs and future military conflict will be made. This also highlights the need for close study and an accurate accounting of the successes and limitations presented by the use of PMCs.

1. Effectiveness of Private Military Organizations

Reviewing the data that has been collected in this investigation on the issue of effectiveness in the private military organization, it seems reasonable to argue that while effectiveness in private military organizations has been empirically investigated, the specific parameters utilized to define effectiveness have not been critically developed. For instance, Jackson considers the success of peacekeeping PMC missions.\textsuperscript{132} Although Jackson is able to argue that success demonstrates effectiveness, he does not define the concept of effectiveness in terms of clear measurable goals for the private military organization. Rather, the ability of the PMC to complete its mission is a means for proclaiming efficiency. This is contrary to the overall definitions of efficiency that are provided in Chapter III.

Reviewing the data provided on the definition of effectiveness, it becomes evident that scholars argue that while effectiveness is often directly related to the overall social good that can be produced, specific definitions of effectiveness must be developed to examine individual operations and organizations.\textsuperscript{133} As such, a framework for examining effectiveness in the private military organization

\textsuperscript{132}Paul Jackson, 32.
\textsuperscript{133}Charles Y. Nakamura and Doris N. Finck, 52.
is needed. Although success in operations may provide a clear basis for developing a definition of effectiveness in the private military organization, the reality is that clear parameters must be developed and defined. Effectiveness must be more than just an arbitrary variable with different meanings in different studies.

Despite a weakness in assessing the effectiveness of the private military organization, various models of effectiveness have been proposed as a means for examining it in the organization.\textsuperscript{134} Although these frameworks can be put in place to examine the effectiveness of the private military organization, the results are mixed. To illustrate this point, one only needs to consider a comparison of results that could be garnered from applying the goal and open systems models. Under the goal model the focus of effectiveness is achieving a specific end.\textsuperscript{135} Data has clearly demonstrated that the PMC can effectively achieve success.\textsuperscript{136} This would suggest that PMCs could be deemed efficient.

Under the process model, “organizations do not exist solely to attain their goals. They are also social groups seeking to survive and maintain their equilibrium. Thus, effectiveness is measured by internal processes and organizational health (for instance, internal communication and degree of turnover) as well as by goal attainment.”\textsuperscript{137}

When applied to the private military organization, measuring

\textsuperscript{134}T. Childers and N.A. van House, 45.
\textsuperscript{135}Ibid.
\textsuperscript{136}Paul Jackson, 32.
\textsuperscript{137}Childers and van House, 45.
effectiveness requires the researcher to look beyond the issues of success. Although the private military organization can be successful as a mercenary-type organization, the effectiveness of the organization cannot be sustained in the context of legal issues and rules of law. Specifically, issues of human and civil rights of those involved in conflict cannot be guaranteed. Thus, even though it is possible to demonstrate the success of private military organizations, the context in which effectiveness is defined for these organizations will impact how effectiveness is assessed and determined.

Based on the results obtained on the effectiveness of private military organizations, it seems reasonable to argue that government agencies—in particular the Department of Defense—need to develop clearly defined terms of effectiveness that balance the needs of military operations with the legal issues involved in the administration of operations in these organizations. In short, the government must work to create more clearly defined roles for the function and operation of private military organizations. Success in private military operations cannot be utilized as the focal point for declaring that these organizations are effective. This structure is imperative to ensure ability of these organizations to effectively provide service while still operating within the law. Given the government’s extended use of these organizations these measures would also provide a benchmark for evaluation of an organization’s services in terms of important issues that extend beyond the success of operations.
Because data is severely limited and because the most empirical data is still developing in the current Iraqi conflict, it is necessary to consider the degree to which new information is incomplete or inaccurate. For example, according to Elsea and Sarafino, the State Department’s website does not include an accurate accounting of the number of U.S. contractor’s currently in Iraq and they also cite the fact that the number of armed civilians operating in Iraq is unknown\textsuperscript{138}. Given these gaps, it will be difficult, if not impossible, for military leaders to determine the degree to which PMCs can assist in successfully completing future U.S. military operations. Insufficient oversight in the current campaign, like any corporate activities which go unchecked, tend to decrease the quality of services and they handicap the development of future services.

Additionally, effectiveness needs to be understood, to a certain degree, to include the public view of the use of PMCs in military campaigns, as in the case of the Blackwater incident in late September 2007. While this aspect can not be measured, it can certainly be seen in terms of public support for leaders who are viewed as “too soft” on the ethical implications of certain PMC activities. For example, Elsea and Sarfino discuss some of the reported activities of Blackwater U.S.A in Iraq, and the apparent hiring of known human rights violators, which was covered heavily throughout 2004 and featured prominently in a number of news stories at the time.\textsuperscript{139} Even a cursory review of the news reports in print, radio, and television will show that the activities

\textsuperscript{138}Jennifer K. Elsea, 2.
\textsuperscript{139}Ibid., 10.
of Blackwater U.S.A as reported had a significant impact on the morale of U.S. citizens both civilian and military. In addition, to affecting morale, it was clear that support of U.S. military efforts shifted dramatically both within the military and without. While it is difficult to measure, there can be no doubt that the activities of PMCs can reflect negatively on the operations of traditional military organizations and groups. For that reason alone, it will be necessary to develop some degree of military oversight in the operation of PMCs.

2. Efficiencies of Private Military Organizations

The second issue that was considered in the context of this investigation was the efficiency of private military organizations. Unlike the issue of effectiveness, efficiency was easier to define. Scholars examining the definition of efficiency often focused on the issue of economic inputs and outputs into a particular organization. In short, efficiency can be achieved when costs are reduced and similar outcomes are achieved. Applying this to the private military organization, the decision was made to consider efficiency in the context of both economic costs and overall operation of the PMC as a private entity.

An overview of what has been noted on the economic efficiencies of private military organizations seem to suggest mixed results overall. Although some scholars have noted substantial economic efficiency of these organizations in providing service to foreign governments, when it comes to the economic efficiency of these organizations in terms

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140 Donald F. Vitaliano, 107.
of the U.S. government, the results are not as positive. For instance, Lawyer considered the economic efficiencies of PMCs in conflicts in both Angola and Sierra Leone. When the costs of these missions were compared with the costs associated with utilizing United Nation peacekeeping forces, the costs for PMCs were notably less. However, Fredland in his examination of PMC service provided to the U.S. government reports notable economic inefficiencies. What this demonstrates is that while efficiency in PMC operations can be garnered in some instances, it is not assured in all cases.

The inefficiencies in PMCs noted by Fredland and others appear to be based on a carte blanche mentality that has been embraced by private military organizations. Although PMCs often provide the lowest bid for completing a specific military operation, by the time the operation is complete, the PMC has exceeded the original budget. With no real recourse, the U.S. government has no alternative but to reimburse private military organizations for their services regardless of the costs. This pattern of budgetary abuse has created a situation in which many do not believe that true economic efficiency can be achieved in the context of private military organizations.

In addition to the specific economic efficiency issues that have been noted in the context of private military organizations, this research also highlights a number of other critical efficiency issues for these organizations.

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141 Jared F. Lawyer, 103.
142 Eric J. Fredland, 216.
143 William D. Hartung, 6.
For instance, this research demonstrates that the extent of collateral damage is often not a pertinent issue for PMCs.\textsuperscript{144} In addition, because private military organizations do not employ a firm hierarchy, there is no guarantee that individuals contracted by the organization will perform the critical missions needed to ensure the success.\textsuperscript{145} This suggests that there are a number of inherent issues that can impact the efficiency of the private military organization. Because these issues are not delineated in terms of economic costs however, they are often overlooked.

Here again, the imperative for creating a more comprehensive definition of efficiency is demonstrated. While economic costs clearly provide a starting point for assessing efficiency in the private military organization, other efficiency issues—such as loss of innocent lives and the ability to adhere to rules of law—must also be taken into consideration. Unless these issues are addressed, policymakers will not be able to garner a true understanding of the efficiency of private military organizations. Thus, while efficiency is more easily defined than effectiveness, substantial issues with currently developed definitions for efficiency remain.

B. RECOMMENDATIONS

Based on the information collected in this investigation, it is now possible to make some recommendations for improving effectiveness and efficiency in the use of military organization. Given the proliferation

\textsuperscript{144}Eric J. Fredland, 216.
\textsuperscript{145}Oldrich Bures, 539.
and expansion of these organizations that has occurred since the end of the Cold War, these issues must be comprehensively addressed if the U.S. government and military are to ensure both the safety of the American people and the financial health of the federal budget. Failure to address these issues at this juncture could have a detrimental impact on the development of the government and its ability to systematically address the operations of private military organizations.

Considering first the issue of PMC effectiveness, it is evident that clear parameters for defining and measuring effectiveness need to be established by the government. Unfortunately this process is not at all straightforward overall. Defining effectiveness in the private military organization will require the government to identify and classify different private military organizations based on function and services provided. Utilizing classifications, the government must then outline areas of effectiveness that must be achieved by these organizations in order for each to be considered for providing service to the U.S. military. The parameters of effectiveness that are defined must be translated into concrete quantifiable measures that will allow for comparison of PMCs in various operations. Although defining effectiveness will present a substantial challenge for the government, operational definitions are clearly needed to ensure the proper use of private military services.

Considering next the issue of PMC efficiency, it is evident here too that clear parameters for operation and financial contracts must be established. If the U.S.
government is to benefit financially from the use of private military organizations, clear metrics which definitively measure the economic efficiency of these organizations must be put in place. Without well defined metrics in place, neither the U.S. government nor taxpayers will be able to determine the efficiency of these operations. With no clear means of addressing this issue, methods to improve efficiency cannot be developed.

In fact, the Government Accountability Office recently said that they were unable to make a determination regarding efficiency in the Iraqi campaign because there was so little data, they went on to say that answering the question of efficiency would be “time consuming” and expensive.\textsuperscript{146} Unfortunately, the degree to which ignoring how PMCs function may be a costly or even detrimental venture for military operations is not considered, though it was also noted that the costs of at least one corporation functioning Iraq far exceeded those of the military.\textsuperscript{147}

Although efficiency parameters are needed, the challenge of developing these parameters remains a challenging issue. Efficiency is often measured in terms of economic output. However, private military organizations address issues that extend beyond the realm of economics in many instances. For example, collateral damage is often an integral part of PMC combat operations. Some assessment of these “human costs” must be developed and placed in the context of a definition of efficiency. Unless some effort is made to include these issues in a working definition of

\textsuperscript{146}Jennifer K. Elsea, 4.
\textsuperscript{147}Ibid.
efficiency for PMCs, governments will have no clear means to assessing the true efficiency of these organizations.

While the idea of placing frameworks for effectiveness and efficiency on private military organization appears to be the most salient means of ensuring the function and purposefulness of these organizations, the reality is that the imposition of frameworks and rules will create a burden for the private military organization. At the present time, private military organizations appear to demonstrate various dimensions of effectiveness and efficiency from their ability to work without clear bureaucratic structures in place. If policymakers begin imposing specific frameworks for measuring and creating efficiency and effectiveness in these organizations, it is possible that these very structures will have a detrimental impact on the ability of private military organizations to effectively and efficiency perform their jobs. Thus, the importance of identifying clear parameters for measuring effectiveness and efficiency becomes quite clear. In short, government officials need to determine what specific attributes of these organizations are most important for their operation.

In addition to highlighting the complexity of effectiveness and efficiency issues in the private military organization, this research also illuminates the paucity of information that is available on these organizations. There is a dearth of quantitative information available on the operation of these organizations. For instance, scholars are not certain how many private military organizations are currently in operation in the U.S. and around the globe.\textsuperscript{148}

\textsuperscript{148}Ryan D. Kelty, 2.
Given that the U.S. government relies so heavily on these organizations for military support, it seems reasonable to recommend more research on this subject.

In addition to acquiring more information on these organizations, scholars also need to consider a broader scope of research on these organizations. For example, scholars need to consider what motivates and builds cohesion in these organizations to ensure that members perform their jobs despite, what may appear to be, overwhelming threats to health and personal safety. At the present time there is a general lack of information on how these organizations operate and function. As such both qualitative and quantitative information is needed such that scholars, policymakers and military leaders can garner a more integral understanding of these organizations.

C. CONCLUSIONS

In the end, it is evident that research on private military organizations is still in its infancy. Even though scholars have begun more aggressively pursuing investigations into this subject, the availability of information on these organizations is limited overall. If military leaders and policymakers are to make the most of the services offered by these organizations more research and understanding will be needed to ensure that effectiveness and efficiency in PMC operations is achieved. These issues are of critical concern given the widespread use of private military organizations in various combat and non-combat missions pursued by the U.S. government.
Although this research provides a starting point for investigation, it does not explain all of the challenges facing private military organizations. For example, the Geneva Conventions specifically deny those employed by PMCs the status of “combatant”, leaving them without protections from unlawful prosecution or torture.\textsuperscript{149} Rather, this research attempts to piece together some of the research on effectiveness and efficiency to demonstrate the need for more research on this subject. While the extent and use of private military organization services suggests that research in this area should be much more advanced that it currently is, the reality does not match theory. As such, military leaders and policymakers need to aggressively pursue data collection on these organizations which will ultimately make it more effective and efficient for the government to utilize the services of these organizations.

As stated previously, the opportunity to gain information in the current Iraqi conflict is tremendous. Though estimates vary, there are currently, on any given day, more one thousand Americans known to be operating through PMCs under known U.S. contracts in Iraq (the actual number certainly exceeds published accounts).\textsuperscript{150}

Current data makes it clear that PMCs can be both significantly more efficient that traditional military operations, and significantly less efficient.\textsuperscript{151} This alone indicates the need for even basic levels of oversight for future employment of PMCs. The need for the remediation is

\textsuperscript{149}Jennifer K. Elsea, 14.
\textsuperscript{150}Ibid., 7.
\textsuperscript{151}Ibid., 25.
highlighted when one considers that the interest of most U.S. citizens to participate in a volunteer army is only likely to decrease. Given that the current situation in Iraq suggests that unmonitored use of PMCs increases the likelihood that inefficient and ineffective corporations prone to profiteering will slip through the cracks, we see that it is necessary to ensure that the military has sufficient oversight in future PMC operations.

Finally, this research also clarifies the complexity of issues involved in developing the private military organization. Although it may be possible to put efficiency and effectiveness parameters in place, the placement of these parameters may limit the ability of these institutions to remain effective and efficient. Even though these organizations are capable of providing a valuable service, the nature and context of their operations may be compromised by placing clear guidelines for their assessment. Failure to address these issues may impact the effectiveness and efficiency of these organizations making any efforts taken to define effectiveness and efficiency in the private military organization must be taken these issues into consideration.
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