Outsourcing military training: the role of security networks in foreign military assistance

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Abstract

International security is now characterized by a shift from government to governance, and by greater reliance on networked forms of coordination between public, non-governmental and commercial actors, referred to as security networks. The rise of private military and security companies (PMSCs) clearly shows the increasing fragmentation of security policy-making and implementation among public and private actors. While much of the current focus has been on the role of contractors in war operations, this paper will focus on another area where the practice is widespread: the provision of foreign military assistance and security sector reform.

After briefly comparing the different roles played by PMSCs in the United States, the United Kingdom and France, this paper will focus on an exploratory case study particularly suitable to explore the complexities of outsourcing security sector reform: the reconstruction of the Liberian military, carried out by the PMSCs DynCorp and PAE for the US government. As a form of delegation that involves an institutional principal and a commercial agent, this instance of military assistance will be grasped by using principal-agent theory, so as to provide theoretical basis for a hitherto missing fine-grained examination of these security networks, their structure and their potential shortcomings.
Acronyms

ACOTA: African Contingency Operations Training  
ACRI: African Crisis Response Initiative  
AFL: Armed Forces of Liberia  
AFRICAP: African Peacekeeping Program  
AU: African Union  
COR: Contracting Officer Representative  
DAC: OECD Development Assistance Committee  
DDRR: Disarmament, Demobilization, Rehabilitation and Reintegration  
DFID: British Department for International Development  
DoD: United States Department of Defense  
DoS: United States Department of State  
DSL: Defence Systems Limited (now ArmorGroup)  
ECOMOG: ECOWAS (Economic Community of West African States) Monitoring Group  
GTM: Government Technical Manager  
ICGL: International Contact Group on Liberia  
IDIQ: Indefinite Delivery Indefinite Quantity  
MPRI: Military professional Resources Inc.  
OECD: Organisation for Economic Co-operation and Development  
ODC: Office of Defence Cooperation  
PAE: Pacific Architect and Engineers  
QRU: police Quick Reaction Unit  
SSR: Security Sector Reform  
TGL: Transitional Government of Liberia  
UNMIL: United Nations Mission in Liberia  
UNPOL: United Nations Police Mission in Liberia  
USAID: United States Agency for International Development
Introduction

The growing involvement of private actors in peacebuilding, military assistance and security sector reform (SSR) has to date gone largely unnoticed in the academic literature. On the one hand, excluding few exceptions\(^2\), the debate on private military and security companies (PMSCs) has focused on the role of these actors in supporting war operations, concentrating on the activities of security contractors in Iraq and Afghanistan without exploring in detail the private provision of training programmes. On the other hand, the literature security sector reform has recently started to take into account commercial providers of security. To date, however, PMSCs have largely been considered merely as an object of SSR: they are seen, in other words, as bodies to be regulated alongside public security forces so as to ensure the effectiveness, political accountability and legal liability of both the statutory and the non-statutory providers of coercion\(^3\). Regulating local and international private security companies as well as the other non-state providers of violence is certainly crucial for the success of SSR and peace-building efforts. PMSCs, however, are much more than mere objects of SSR: they are also actors that are increasingly involved in the direct provision of military assistance and security sector reform\(^4\). Indeed, international military and security sector assistance forcefully shows that security policies are increasingly characterized by a shift from government to governance, and by greater reliance on networked forms of coordination and complex partnerships between public, non-governmental and business actors, referred to as security networks\(^5\).

This paper aims to bridge the existing gap in the literature by exploring in detail the role of security networks and PMSCs in particular in the provision of military assistance and SSR. In order to do so, it will proceed as follows. The first three section will present the key concepts used in this paper, exploring the notion of security sector reform and its importance for peacebuilding, introducing the concept of security networks, briefly defining private military and security companies and finally analyzing the reasons why military assistance is increasingly being privatized. The second part, comprising sections four and five, will explore the role played by commercial actors in different


states. In the United States, the outsourcing of military training has become a widespread practice, with contractors providing assistance to a huge array of countries, both in the developed and the developing world. The UK, on the other hand, seems to have maintained a more state-centric approach in the field of military assistance, with British International Military Assistance Training Teams being composed only by uniformed personnel, although sometimes accompanied by contractors with support functions. However, while the British Ministry of Defence has so far proved wary to outsource foreign military training, the British Department for International Development (DFID) has made an extensive use of private security contractors, both to protect its personnel and assets overseas and to help foreign governments to reform their security institutions. Finally, France too has witnessed an embryonic form of privatization, as many types of military assistance, including training, are provided by the Défense Conseil International, a private enterprise in which the government is the concurring shareholder.

The third part will introduce principal-agent theory and explore its potential as a source of hypotheses and a valuable heuristic tool to investigate privatized military assistance. It will then focus a case study the analysis of which can shed more light on the potential and the shortcomings of these security networks: the provision of SSR in Liberia. This program can be considered as a watershed in security sector reform for a number of reasons. Firstly, it is a case of security sector reconstruction rather than merely reform, where the police and above all the army were rebuilt from scratch. Hence, it is an unprecedented programme in magnitude and ambition. In addition, the recruiting, vetting, training and fielding of the Liberian armed forces was completely outsourced to contractors working for the private military firms Dyncorp and Pacific Architects and Engineers, hired by the State Department. An in-depth analysis of the Liberian case, complemented by insights drawn on principal-agent and network analysis, will be used to preliminarily show the potential as well as the risks and the accountability problems arising from the private provision of military assistance and security sector reform.

1. **What: Security Sector Reform and peace-building**

This paper is looking at the involvement of the private sector in the provision of all the services associated with military assistance. Although different types of training are taken into account, particular attention will be dedicated to the military component of security sector reform, the outsourcing of which presents a number of both normative and empirical dilemmas.

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6 Chapleau P. (2003), De Bob Denard aux sociétés militaires privées à la française, Cultures & Conflits 52 (4), 49 - 66
In addition, while briefly analyzing the role of the commercial sector as a whole, it largely focuses on one specific type of actors: private military and security companies. The following sections will hence present and define security sector reform as well as security networks and PMSCs.

The concept of security sector (or security system\(^7\)) reform, originated in the development community at the end of the Nineties, is grounded on the increasing awareness that an efficient, legitimate and accountable security sector is a crucial precondition for poverty reduction. The very concept of SSR has stemmed from the awareness that “security and development are interlinked, interdependent and mutually reinforcing”\(^8\). As a consequence, institutions and programmes traditionally associated with development have become involved in the security sphere and vice versa.

The notion of security sector reform, however, was not adopted exclusively by aid agencies. Besides being crucial for development, SSR is considered as a critical element for successful democratic transition\(^9\). In addition, the SSR lexicon soon became adopted by the peace support operations agenda and literature, due to the growing awareness that the persistence of unprofessional and politicized security forces can compromise the success of peacekeeping missions by triggering new waves of violence, holding the peace process hostage to partisan interests and delaying the disengagement of international peacekeepers. As a consequence, international interventions in post-conflict situations have now expanded so as to encompass demobilization, disarmament, reintegration and rehabilitation of former combatants (DDRR) as well as SSR, which was sponsored in many conflict and post-conflict situations such as Afghanistan, Azerbaijan, Bosnia and Herzegovina, Georgia, Haiti, Iraq, Kosovo, Liberia, Macedonia, Mozambique, Tajikistan and East Timor\(^10\).

In spite of its success among both academics and practitioners, the concept of security sector reform remains somehow vague and contested. At its core, it refers to the efforts to ensure an efficient and effective provision of state and human security within a framework of democratic governance\(^11\). The OECD defines SSR as the effort

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“to increase partner countries’ ability to meet the range of security needs within their societies in a manner consistent with democratic norms and sound principles of governance, transparency and the rule of law. SSR includes, but extends well beyond, the narrower focus of more traditional security assistance on defence, intelligence and policing.\textsuperscript{12}

As the notion of SSR is grounded on the effort to ensure greater legitimacy and accountability, a type of technical military assistance aimed exclusively at improving the effectiveness of military forces can be considered as a reform of the security sector, without truly being security sector reform\textsuperscript{13}. Reflecting the broadening of the notion of security and the shift from state to human and societal security, the concept of security sector encompasses military forces, but also non-military security agencies, internal or external, as well as the governmental agencies that are responsible for security policies. Hence, according to the OECD, the security sectors includes

\begin{quote}
“(a) State institutions which have a formal mandate to ensure the safety of the state and its citizens against acts of violence and coercion (e.g. armed forces, police, the intelligence and similar bodies); and (b) the elected and/or duly appointed civil authorities responsible for control and oversight of these institutions (e.g. Parliament, the Executive, defence ministry, judicial and penal systems)”\textsuperscript{14}
\end{quote}

Whether officially or de facto, however, non-state agencies are often involved in the provision of security. As a consequence, the OECD itself has later on emphasized that a truly comprehensive approach to SSR should also address non-statutory security forces such as militias and private security companies.\textsuperscript{15}

Under the general label of SSR lie different types of assistance and institutional arrangements. In some cases, reform is carried out autonomously by some government without any type of external assistance, whether financial or technical. In other cases, SSR is sponsored by international


\textsuperscript{15} OECD DAC Handbook on Security System Reform, p. 22
organizations, or by aid agencies and foreign and defence ministries of donor countries. In a post-conflict setting, the complete lack of a functioning security sector or its massive politicization and involvement in war crimes make reform impossible, and require the demobilization of the legacy force and the rebuilding from scratch of new institutions. In such cases, the issue is often forming rather than reforming the security sector. Hence, these programmes required should more appropriately be labelled as security sector reconstruction rather than reform. The case of Liberia, which will be analyzed in detail in the last part of this paper, is precisely an instance of security sector reconstruction.

Creating a security sector that is functioning, legitimate and accountable in a context of state fragility or in a post-conflict or post authoritarian setting is by no doubt challenging. Indeed, SSR efforts have to address a number of dilemmas, both normative and empirical. Two main conundrums, in danger of being exacerbated by the greater involvement of private actors, will be considered here. Firstly, the magnitude of SSR efforts, together with the shortage of human and financial resources available to foreign ministries, aid agencies and international organization has created a capacities gap. It is precisely in order to collect the required resources and expertise, while at the same time ensuring greater consistency in donors’ programmes, that a whole of government approach, based on the synergy between aid agencies and foreign and defence ministries, is recommended as an important tool of successful SSR. Human resources strain in governmental departments as well as the lack of the appropriate expertise, often unavailable among governmental personnel, has now pushed donors beyond a whole of government approach, encouraging the greater involvement of non-governmental and commercial actors. While promising to fill the capacities gap, the participation of a broader network of actors in SSR may also pose problems and trade-offs. The presence of a greater number of SSR providers, together with the involvement of a greater number of local stakeholders, may create coordination and oversight problems. Insufficient communication, diverging preferences or even inter-agency rivalries may make cooperation between SSR providers difficult, and be exploited by local actors with partisan interests to their own advantage.

In addition, an externally imposed SSR programme may suffer from a democratic deficit. While SSR is certainly a political process, donors and international organizations carrying out SSR are not accountable to the local population of the territory where they operate. Ironically, programmes the
main goal of which is the creation of an accountable, democratic security sector are not subject to any form of accountability to the direct stakeholders. Such a dilemma is not only normative, but empirical too. As acknowledged by the overwhelming majority of SSR literature, local ownership is crucial for any programme be successful, and needs to be enhanced by engaging stakeholders in the designing and implementation of the reform. Without the willingness of local players to cooperate and assimilate the norms that are being promoted into their own institutional culture, programmes that are designed and implemented by foreign actors are likely to be rejected and ultimately fail. The involvement of commercial actors who not subjected to any type of political accountability is in danger of further worsening this problem, negatively affecting the transparency and ultimately the effectiveness of the SSR process.

2. Who: Security networks in SSR

The notion of security network is ideal to grasp the growing complexity of SSR and military assistance programs, increasingly involving international, national, non-governmental and commercial actors in the role of financers, planners and providers of training programmes. The involvement of non-state actors in SSR is hardly unique. On the contrary, international security as a whole is characterized by a shift from government to governance. The notion of security network precisely refers to the fact that, in addition to states, we can today observe a growing number of international institutions and private actors, ranging from non-governmental organisations to private military and security companies, involved both in the planning and the implementation of security policies. As a consequence of the greater number and types of actors involved, international security is characterized by a shift towards a market-based allocation of services, public-private partnerships and networked rather than exclusively hierarchical forms of coordination.

The growing practice of contracting out the planning and the implementation of SSR and military assistance program epitomizes the establishment of such ties. Indeed, commercial entities are increasingly active in the provision of SSR and military training. Although quantifying their role is impossible due to the paucity of reliable data, the involvement of the private sector in military assistance and SSR is huge, and appears to be booming. As of 2006, more than the 90% of the

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21 On the lack of accountability of SSR programmes see Brozska and Heinemann-Gruder, p. 132. See also Donais, T. (2009), Empowerment or Imposition? Dilemmas of Local Ownership in Post-Conflict Peacebuilding Processes. Peace & Change, 34: 3–2
22 OECD 2007, p. 14; Hanggi, op. cit; Brozka, op. cit.
23 For a review of the concept of local ownership see Donais T. (ed) 2008, Local Ownership and Security Sector Reform, Lit Verlag
24 Krahmann 2003, op. cit.
26 Mancini, op. cit.
members of the International Peace Operations Association (IPOA), the greatest private military and security industry group, were reportedly offering training services and SSR services\textsuperscript{27}. SSR encompasses a broad range of activities that, while all aimed at improving the effectiveness, legitimacy and accountability of a state’s security sector, do not necessarily have a military or police component. The services provided by commercial actors in SSR programmes can be divided into three broad categories: training; management support; diagnosis and policy review, that is assistance in designing security strategies and military doctrines as well as governmental departments’ organizational structures\textsuperscript{28}. Management support and some types of policy review see the involvement of a wide array of firms or freelance consultants. Only PMSCs, however, are capable of providing services across the spectrum of SSR, carrying out both management and diagnosis services and military and police training. A minimum definition of PMSCs is precisely that of firms providing, for a profit, services that were previously carried out by states’ military and police forces\textsuperscript{29}. While most authors have tried to distinguish between military and security companies\textsuperscript{30}, the fluid nature of the market and the low level of specialization of most firms, capable of providing both private military and private security services rather than focusing either on the former or on the latter, suggests the use of a single label. This paper will then refer to the firms involved in military assistance and SSR as PMSCs.

There are two ways by which a PMSC can be involved in military assistance. On the one hand, a government can directly sign a contract with a firm to train and reform its security sector. This was the case, for instance, for a wide range of both developed and developing countries, which directly hired a PMSC to run some programme. In some cases, training programmes can also be funded by non-state and business actors. The training of the Bosnian army after the Dayton Accords, run by MPRI, was funded by a network of Islamic states and charities\textsuperscript{31}. Transnational corporations such as Shell, on the other hand, financed training and equipping for the Nigerian police\textsuperscript{32}. Hence, non-state and commercial actors are involved not only in the planning and the provision of military and police assistance, but also in its financing.


\textsuperscript{28} Mancini 2005, p. 15


\textsuperscript{31} Avant 2005, p. 25

\textsuperscript{32} Ibid, p. 124-125
Alternatively, a PMSC can be hired directly by the foreign ministry, the ministry of defence or the aid agency of a donor country to provide military assistance and SSR in another state. This is often the case in the United States, but increasingly characterizes other countries as well. Next section will briefly review the reasons underlying the abrupt surge of the private provision of SSR.

3. Why: the reasons underlying the outsourcing of SSR

The reasons why SSR as well as military assistance are being increasingly outsourced are manifold. First of all, it is worth noting that both the security and the development sector are witnessing a growing tendency to rely on the non-governmental and commercial sector. According to Peter Singer, the propensity to use commercial entities to carry out military tasks stems from the ‘tectonic change’ in the international strategic landscape triggered by the end of the Cold War. While Singer refers to the provision of services along the military spectrum, ranging from logistics to direct combat, this holds true for the provision of military assistance alone as well. An embryonic private military sector providing military training services existed both in the United States and the United Kingdom well before the end of the Cold War. The US firm Vinnell, for instance, won a contract to train Saudi Arabian National Guard already in 1977, while British PMSCs like Watchguard, Saladin, KMS, Gurkha Security Guards, DSL (now ArmorGroup) have been involved in military assistance starting from the end of the Sixties. It is true, however, that the transformations following the end of the Cold War played a crucial role in the creation of a market for military assistance for a number of reasons. First, the downsizing of major armies broadened the supply of military expertise enormously. At the same time, the transformations within Western armies increased the demand for external contractors. The strain on human and financial resources encouraged the specialization of military personnel and the outsourcing of functions other than combat, such as foreign military training. In the 2001 Quadrennial Defense Review, for instance, the US Department of Defense (DoD) planned the gradual privatization of all activities not ‘directly linked to warfighting’. In addition, the end of the Cold War produced a disentanglement of major powers from many areas of the developing world. The presence of military advisors, who had had a crucial role in military training and assistance in the previous decades, plummeted especially in Africa. Finally, the increasing practice of outsourcing is driven by an ideological shift produced by the ‘privatization revolution’ following the rise of neoliberalism, but also the growing awareness that an engagement

34 Avant 2005,
with the private sector is crucial for world governance.\textsuperscript{37} This is epitomized by Kofi Annan’s Global Compact Initiative, based on the attempt to establish strategic partnerships between the UN and the private sector on issues such as human rights, labour and the environment. Indeed, Kofi Annan declared that he even contemplated the possibility to use private security companies for peacekeeping missions. Even if the UN Secretary concluded that the world was “not ready for privatized peacekeeping”\textsuperscript{38}, contractors are already heavily involved in the provision of logistics and support for various Nato, the UN and African Union peacekeeping missions\textsuperscript{39}.

Not only the security and peacekeeping sector, but also development agencies are increasingly characterized by a huge reliance on the private sector. In the US as well as in other states, foreign aid and humanitarian relief are increasingly provided by corporations, NGOs and individual social entrepreneurs. For-profit foreign aid, in particular, is a booming business: from 2002 to 2009, the top ten for-profit firms working for the US agency for international development (USAID) have received almost 5.8 billion dollars in procurements\textsuperscript{40}. In 2005, documents issued by USAID publicly acknowledged that the role of the agency had shifted from direct provider of aid to contractors’ manager and supervisor. The British Department for International Development (DFID) also acknowledged the importance of outsourcing and public-private partnerships in its provision of foreign aid.\textsuperscript{41}

Being the practice of outsourcing so widespread in the defence, development and peacekeeping community, it is unsurprising that the use of private firms has become common practice in SSR, which lies at the overlap of these three areas. In addition, security sector reform appears particularly suited for the involvement of commercial actors for a number of reasons. Firstly, outsourcing seems an ideal solution to address the abovementioned capacity gap in SSR implementation. Donors and their military institutions often lack the human resources and the expertise to carry out fully-fledged SSR programmes, which require different types of expertise ranging from public administration and accountancy to military, police and intelligence training capacities, let alone the appropriate language skills. Commercial firms, on the other hand, can recruit on the market on \textit{ad hoc} bases types of expertise that governmental departments cannot afford to keep in house so as to easily build multidisciplinary teams that can operate throughout the spectrum of SSR activities\textsuperscript{42}. In addition, private companies can provide greater flexibility, offering avenues to avoid the lengthy bureaucratic procedures connected with the recruitment and the

\textsuperscript{38} K. Annan, Ditchley Foundation lecture (26 June 1998) http://www.ditchley.co.uk/page/173/lecture-xxxv.htm [last accessed 10 July 2010].
\textsuperscript{39} Author’s interviews with representatives of the industry
\textsuperscript{40} Sanger, op. cit., p. 125
\textsuperscript{41} Author’s interview with DFID officials
\textsuperscript{42} Mancini, op. cit., p. 44
deployment on the field of state civilian and military personnel. In the case of US-sponsored SSR, the use of contractors allows the State Department to autonomously run its policies without the involvement of the Department of Defense and its personnel, often sceptical towards human security-centred approaches to military assistance. Outsourcing can thus magnify the capacity of some governmental agencies to act autonomously and push forward their own agenda without having to negotiate policy and strategies with other departments. In some cases, the bureaucratic and political convenience of outsourcing stems from the possibility to rely on contractors to circumvent existing legal restrictions associated with the deployment of military personnel. In Colombia in 2000, for instance, the use of PMSCs allowed the administration to circumvent the limitations posed by Congress on the number of US uniformed personnel and the Colombian units they could train and assist. More recently, as in the case of the Sudan People Liberation Army, currently being trained by DynCorp contractors, outsourcing was chosen because US uniformed personnel are restricted from training non-state security forces. The possibility to use contractors so as to circumvent legal restrictions over foreign military assistance clearly raises questions not only over the accountability of privatized military training to host countries’ stakeholders, but also over democratic control of the export of military expertise from within Western countries.

In addition, outsourcing is often associated with cost-effectiveness, which makes it a promising option given the narrow budget of many SSR programs. To date, however, the paucity of reliable data does not allow researchers and practitioners to ultimately confirm the greater cost-effectiveness of contractors. This is particularly true for foreign military training: while studies on the cost effectiveness of private providers of security and logistics have recently proliferated, fuelled by the massive involvement of contractors in Iraq, no research has to date focused on the cost-effectiveness of private military training.

Economic theory suggests that rather than by merely privatizing some service, cost-effectiveness arises from the existence of meaningful competition, which is often missing in the market for military training, and from the use of appropriate types of contractual arrangements. In SSR and military assistance, contractors are usually assigned to a narrow pool of firms. The US African peacekeeping program (AFRICAP) is a case in point: only the four companies that previously won a five-years indefinite-delivery indefinite-quantity (IDIQ) umbrella contract can

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43 Author’s interview with DoS officials and representatives of the private military and security industry
44 The role of inter-agency rivalries in the tendency to rely on PMSCs is still largely unexplored. Author’s interview with DoS officials and representatives of the private military and security industry
45 Singer, op. cit, p. 207
46 Author’s interviews with DoS officials and representatives of the private military and security industry
submit bids for training and support contracts all across Africa, although they may rely on other companies as subcontractors. Before 2009, when a new AFRICAP umbrella contract was awarded, competition was even more limited, as only two firms were allowed to submit bids. While this system ensures greater timeliness in deployment and greater flexibility in the implementation of programmes these types of contracts hamper competition and do not provide meaningful incentives for firms to lower down the cost, and are thus hardly a recipe for cost-effectiveness.

Finally, PMSCs are also sometimes chosen because of their lower visibility: indeed, their civilian employees, not wearing a uniform, are a much more discreet presence than active duty military personnel, who can sometimes be unwelcome in a host country. Such a lower visibility of contractors can also provide advantages for decision-makers in their domestic political arena. The deployment of military personnel is a post-war setting is a sensitive and objectionable issue that can raise parliamentary scrutiny and public opposition, or trigger major political drawbacks in case incidents occur. In some cases the deployment of contractors, which often takes place below the radar of Congressional and public scrutiny, allowed US administration to train the military forces of a country with a poor human right record without engaging in a public debate over the opportunity and the content of these programs.

Expertise, flexibility, cost-effectiveness and discretion are the main perceived advantages of outsourcing military assistance and security sector reform. Next sections, looking at the different role of public-private arrangements in the US, the UK and France, will try to provide a more fine-grained description of the security networks involved in military assistance and security sector reform and investigate their limits as well as their potential.

4. The role of the private sector in military assistance in the US

US administrations have long viewed training of and assistance to security forces around the world as crucial tools of U.S. national security policy. In the last two decades, the United States has trained around 100,000 soldiers in over 180 countries in the world. In 2005 only, the State Department budget for military training amounted to 5.2 billion dollars.

US law defines foreign military training as

51 Mancini, op. cit., p. 46
52 Author’s interviews with DoS officials and representatives of the private military and security industry
53 Avant, op. cit., pp. 155-156
55 Avant, op. cit., p. 125
“formal or informal instruction of foreign soldiers by officers or employees of the U.S. government or by private contractors authorized by the U.S. government”.  

Training includes theory as well as operational field instruction, and it can occur either overseas or into US bases. While military training has long been prevalent in the US assistance agenda, the growing attention to new types of threats as well as the greater focus on human security has led to an increase in the assistance to police forces. Police and military training have become increasingly intertwined, especially in counternarcotics and counterterrorism programmes and missions. After the end of the Cold War, the Clinton administration put a new emphasis on military training, seen as a prime component of its strategy of “constructive engagement.” Since September 11, training programmes for foreign armed forces, often carried out by special operations forces have become a key part of President Bush’s global war on terror, and have taken place in various Muslim countries such as Azerbaijan, Pakistan, Ethiopia, Yemen, Uzbekistan, Tajikistan, Turkey, Indonesia, the Philippines. The Obama administration has also emphasized the importance of foreign military training: the latest Quadrennial Defense Review, for instance, pledged to “Enhancing U.S. capabilities to train, advise, and assist partner-nation security forces and contribute to coalition and peacekeeping operations.

Military and security forces training has been provided by US active duty and reserve soldiers working in mentorship and training teams, special operation forces, FBI and Drug Enforcement Administration (DEA) officials. After the end of the Cold War, however, the commercial provision of military and police forces has gained greater prominence. As abovementioned, the provision of military assistance by US private firms is not entirely new. The US firm Vinnell trained the Saudi Arabian National Guard already in 1975, while Booz Allen developed a programme to train South Vietnamese officers in the late Sixties. It was only with the Clinton administration, however, that the use of private contractors hired directly by US agencies to provide foreign military assistance became a widespread practice. US firms like MPRI, Cubic, Ronco, Nothrop Grupmann, were used to provide military technical support to OECD armed forces and special operation forces and military assistance and SSR to South American states such as

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56 United States Arms Export Control Act, Section 47  
57 Lumpe L. 2002, U.S. Foreign Military Training: Global Reach, Global Power, and Oversight Issues, Foreign Policy in Focus special issue, p. 1  
58 Ibid., p. 4  
59 Ibid., p. 5  
60 US Department of Defense, Quadrennial Defense Review Report (12 February 2010), at 13  
61 Lumpe, op. cit  
62 Avant, op. cit., p. 114  
63 Author’s interview with DoS officials and private military and security industry representatives
Colombia, Ecuador and Peru, former Yugoslavian states such as Bosnia and Croatia and various Eastern European countries, whose admission to NATO had been made conditional to the restructuring of their military forces according to Western standards\textsuperscript{64}.

Contractors have played a crucial role in SSR in Iraq and Afghanistan. In June 2003, Vinnell – working with MPRI, SAIC and various other firms as subcontractors – won a contract for the training of nine battalions of the new Iraqi army. The contract was cancelled the following year, after training proved to be unsuccessful. Dyncorp, on the other hand, had a crucial role in training the Iraqi police and the Afghan Army\textsuperscript{65}. The latest US military commitments triggered a further involvement of contractors in the provision of military training and SSR in other areas of the world too: one of the reasons for the decision to outsource the training of the Liberian military was the strain on US uniformed personnel caused by their commitment in Iraq and Afghanistan\textsuperscript{66}.

The greater involvement of contractors carrying out military assistance and SSR in Africa also started to gain greater prominence since the mid-Nineties, with US firms such as MPRI, Dyncorp, Nothrop Grupmann, Pacific Architect and Engineers, providing assistance to a number of countries such as Angola, Nigeria, Equatorial Guinea, Rwanda, Malawi. Contractors started playing an important role in the African Crisis Response Initiative (ACRI), designed to train African forces for peacekeeping and conflict prevention, and are crucial players in the now running African Contingency Operations Training and Assistance (ACOTA), which replaced ACRI. In addition, the State Department is also massively reliant on contractors for its AFRICAP program, designed to help African countries in developing peacekeeping and counterterrorism capacities\textsuperscript{67}.

While the Bush administration decided to establish an African Regional Command (AFRICOM), this is unlikely to reverse the current trend of greater reliance on contractors. On the contrary, the AFRICOM, still based in Stuttgard, is more likely to provide small teams of mentors for African armies rather then being capable of directly running full-scale training programmes\textsuperscript{68}.

As abovementioned, US PMSCs can be hired directly by a foreign government to train and reform its military and security forces. This was the case, for instance, for a wide range of countries such as the U.K., Hungary, Columbia, Nigeria, Equatorial Guinea, and Indonesia, all of which contracted directly with US PMSCs for military assistance services\textsuperscript{69}. Such a process does not occur outside governmental control. The US International Traffic in Arms Regulation, which covers the export of

\textsuperscript{64} Ibid., pp. 120-131. See also Singer, op. cit., pp.
\textsuperscript{65} Avant, op. cit, p. 124; Stanger, op. cit., p. 99
\textsuperscript{66} McFate, S. 2008, Outsourcing the Making of Militaries: DynCorp International as Sovereign Agent, Review of African Political Economy, 35: 118, 645 — 654, p. 646
\textsuperscript{67} Author’s interviews with State Department Officials, US military personnel and representatives of the private military and security industry
\textsuperscript{68} Author’s interview with DoD Officials

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both military goods and services, makes the private provision of military assistance to a foreign country conditional to the award of a license from the State Department Office of Defense Trade Control, which consults all the other competent offices inside the DoS, such as the appropriate Regional Bureaus or the Office of Democracy and Human Rights, before taking a decision. While considered the most effective piece of legislation on the export of military assistance to date and ensuring the compatibility of training programs carried out by US firms for foreign governments with the national foreign policy and values, the ITAR suffers from two major problems. First, the licensing process is described as idiosyncratic, inconsistent, lacking in transparency, and too exposed to firms’ lobbying actions. The contract signed in 1998 between the government of Equatorial Guinea and MPRI is a case in point. When MPRI first requested a license to evaluate Equatorial Guinea’s defence capabilities in 1998, the African Bureau of the State Department rejected the request because of the country’s poor human rights record. MPRI officials then visited DoS officials and Congress members to make the case for a strategy of engagement rather than isolation towards the African country, which could eventually produce greater human rights respect and democratic openness while at the same time enhancing US national interests vis-à-vis an oil-rich region. MPRI then submitted again its request for a license, which, while approved by the African Bureau, was now turned down by the office of Democracy, Human Rights and Labour. With a new lobbying action, however, the firm finally achieved the license in the spring of 2000.

Besides the lack of transparency and the excessive exposure to lobbying action of the offices involved in the licensing procedure, the process suffers from insufficient democratic oversight, as Congress is notified only of contracts exceeding a threshold of 50 million dollars. The abovementioned contract between Vinnell and the Saudi Arabian government, worth 77 million dollars, was indeed notified to Congress, where it received substantial scrutiny and opposition. Since then, however, very few contracts exceeded the 50 million dollars cap, as even major procurements were often unpacked into smaller contracts so as to escape Congressional control. Alternatively, as abovementioned, private firms can also be contracted directly by an US governmental agency offering military and security forces training and assistance to foreign countries. The Department of Defense has relied on contractors to offer some kind of military support to various South American countries, while the US Development Agency (USAID) is also a substantial customer of PMSCs services, albeit largely for security and logistics functions.

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71 Avant 2006, p. 513
72 Avant 2006, p. 512
It is the State Department, however, the greatest customer in the market for private military training and SSR. While the legal authority to award contract always lies in the Procurement Office, various DoS offices, such as the International Narcotics and Law Enforcement Bureau and the African Bureau, have launched outsourced assistance programmes. At the moment of writing, contractors carrying out some type of training for the US State Department are deployed in many post-conflict settings, such as DRC, Cote d’Ivoire, in Southern Sudan. Contractors are also assisting the Somalian Transitional Government’s armed forces, although given the high degree of tension in Somalia, such training takes place in bordering countries.

5. The privatization of SSR in the UK and France

The United States is by no doubt the leading country in the provision of privatized military assistance and security sector reform. However, other states whose armed forces also have a tradition of engagement with the former colonial world and its military forces, such as the United Kingdom and France are also characterized, albeit to a lesser degree, by the presence of firms offering military assistance and SSR and the growing tendency to rely on some type of commercial allocation of training services.

The United Kingdom, in particular, is also characterized by the presence of a strong private military and security industry, considered as the second biggest in the world. Indeed, it is in the UK that the first PMC, Watchguard international, was created. According to his creator, David Stirling, the main purpose of Watchguard was precisely that of training and supporting the armed forces of allied governments in situations where the direct involvement of British uniformed personnel was not possible or not advisable. British firms such as the now defunct Watchguard, KMS, Gurkha Security Guards, and the still active firms Saladin, DSL (now ArmorGroup) Hart, Olive, have all been involved in the training of various type of security forces, ranging from fighting units in Sri Lanka and Sierra Leone to royal palace-guards and special forces in Middle Eastern countries, natural reserve guards in Kenya and Coastal Guards in Somalia. Unlike their US counterpart, British PMSCs can sign contracts with foreign governments without any formal obligation to achieve a license or even notify the contract to the Foreign Office.

73 Author’s interviews with DoS official, US uniformed personnel and representatives of the private military and security industry
While British PMSCs have been hired by many foreign states, they do not work directly for the British Ministry of Defense to provide foreign military training. Indeed, while some report the participation of contractors to British military assistance training team, their role has been sporadic and limited to support functions. The reluctance of the British MoD to outsource foreign military assistance to the private sector is noteworthy: private firms are playing a crucial role in training and supporting the British army, but they are given only a very limited role in foreign military training. This may be associated with British military culture, which sees training as a crucial part of their job as well as the previous involvement of British citizens in military ventures, which makes the British Defence establishment particularly wary of directly using military contractors in the developing world. While the British MoD has made a very limited use of private contractors in the provision of SSR, this is not the case for another British governmental agency, the Department for International Development. Among the first Western governmental agencies to acknowledge the importance of security sector reform for development, the British DFID has later on been involved in various SSR programmes. While the DFID has repeatedly emphasized the important of security sector reform in its public statements, it ought to be mentioned that to date only little of its budget is actually spent on upholding security forces assistance programs: as of 2005, only £5 million of DFID £4.6 billion budget was spent on SSR. In spite of the low percentage of its budget dedicated to SSR, the DFID relies heavily on the private sector in the implementation of its policies. Indeed, not only DFID is using private security contractors for the protection of its personnel and assets abroad and to run demining programmes: it has also hired private consultants and trainers to implement some of its police reform programmes. In Jamaica, for instance, DFID contracted a management consulting company, Atos, to assist the reform of the Jamaican police force. The programme encompassed both management and technical assistance, that is police officers training. This type of assistance was carried out by former British policemen, who brought expertise in community-based policing, crime investigation and professional standards.

Like the United Kingdom, France is also traditionally very active in the provision of military training, used as a way to project foreign policy influence, keep a special relationship with its former colonies and to push forward French arms exports. Unlike the United States and to a lesser extent the United Kingdom, however, France has to date retained a more state-centric approach, and

77 Author’s interviews with MoD officials and representatives of the private military and security industry
78 On the massive privatization of defence logistics in the UK see Krahmann E. 2010, States, citizens and the privatization of security, Cambridge: Cambridge University Press
79 Avant 2005, op. cit., p. 174
81 Mancini 2005, op. cit., at 16
82 Author’s interview with representatives of the British private military and security industry
83 Mancini F. 2006, The Company We Keep: Private Contractors in Jamaica, Civil Wars 8:2, 231-250
has been much more wary to privatize any type of military of security functions. Still, a small pool of PMSCs such as Secopex, Barril Group and SAS, largely made of former Gendarmes and French Army Officials, also provide among their services military and police training and advice.

The clearest evidence of the embryonic penetration of market logic within the French military training and advice sector is the Defense Conseil International. Establish to push forward French arms exports, the DCI is however involved in the transfer of military expertise as well, and present itself as “a specialist of military formation, advice and assistance” and a supplier of military equipment and instructors. Although its traditional core activities consist of pushing forward major French armament exports, the company has gradually developed new areas of expertise: training, consulting and assistance in both defence and domestic security sectors. DCI is a private company in which the French government is the concurring shareholder with 49.9% of the group's shares. The company currently has 700 employees, often with a military background, and permanent offices in the United Arab Emirates, Saudi Arabia, Kuwait, Qatar and Malaysia. As a mixed enterprise open to the participation of private shareholders, which allocates military services on a for-profit basis, DCI is considered as a “form of privatization of French military cooperation”.

6. Principal-Agent theory and the outsourcing of SSR

After providing a short overview of the role played by the private sector in military training and security sector reform, this paper will analyze more in detail the characteristics of the security networks involved and try to understand their functioning and their potential shortcomings by using insights drawn on social network analysis and above all principal-agent analysis.

Created by economists as an analytic tool to investigate the relationships between an employer and an employee rather than as a fully-fledged theory, principal-agent models have later on found application in the analysis of political forms of delegations and control. Democratic theory, for instance, has used principal agent models to analyze the chain of delegation in current democracies and investigate the relationships between Congress, the executive branch and the bureaucracy in the US or the EU multilevel governance. Civil-military relations theory has also

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84 Chapleau, op. cit
85 http://www.groupedci.com/uk/dci/presentation-dci.php
86 Ibid, p. 11
investigated the relationship between civilian principals and security forces by using principal-agent models\textsuperscript{90}, and some insights drawn on principal-agent analysis were also used to raise caveats on the use and the regulation of PMSCs\textsuperscript{91}. Even SSR scholarly literature has already put forward principal-agent models as a methodology to map the relationship between the security agencies to be reformed and their political principals\textsuperscript{92}. This section, on the other hand, will use principal-agent insights to investigate the relationship between commercial providers of security sector reforms and the governmental agencies of both the donor and the host countries.

The provision of SSR by private actors seems ideally suited for applying some principal-agent insights. Indeed, the commercial nature of the agent simplifies the application of many principal-agent assumptions, which are often problematic when investigating political agents who are not profit-oriented. A caveat is however needed: the daunting complexity of SSR and the need to leave some room for human agency make principal agent analysis a valuable heuristic tool to make sense of the complexity of the process and generate hypotheses over the potential monitoring and accountability problems rather than a model to be systematically applied in order to predict agents’ behaviour and performances.

Two prominent strands of analysis can be identified in principal-agent literature. In its simplest form, principal-agent analysis hypothesizes that agents work when monitored and shirk when not\textsuperscript{93}. As a rule, therefore, agents are assumed to provide a service the way the principal deems it appropriate only when constantly monitored. When applied to assistance programmes, this assumption suggests a first caveat. Constant monitoring in a post-conflict environment can be costly and complex. Effective monitoring requires not only the presence of personnel on the ground, but also the possession of all the types of expertise required to supervise the activities of contractors throughout the spectrum of SSR. Finally, the lack of uncontested performance indicators in SSR and the complexity of the situation on the ground all make assessing the progress of the reform programme and the responsibility of contractors for failure difficult to assess. The second strand of principal-agent research argues that monitoring is inherently inefficient and that optimal compliance comes from improving the quality of the agent and making its preferences more closely in line with

\textsuperscript{90} For a review see the articles of the Journal of European Public Policy 10 (1), The principal-agent approach and the study of the European Union: promise unfulfilled?
\textsuperscript{91} Feaver P. 2003, Armed Servants. Agency, oversight and civil-military relations, Cambridge: Harvard University Press
\textsuperscript{92} Cockayne J. 2007, Make or Buy? Principal-agent theory and the regulation of private military companies, in Chesterman and Lehnardt (eds), The Rise and Regulation of Private military companies; Stober J. 2007 Contracting in the fog of war, in Jäger e Kümmel, (eds.), Private Military and Security Companies: Chances, Problems, Pitfalls and Prospects, Wisebaden: Vs Verlag
\textsuperscript{93} Cohen J. 2009, Application of Principal-Agent Theory to Security Sector Reform, Journal of Security Sector Reform 7:2, 1-17
\textsuperscript{94} Feaver, op. cit., p. 56
those of the principal\textsuperscript{94}. This can be done by using financial incentives and making sure that the organizational culture of the agent is compatible with the needs of the principal. In the case of PMSCS, the fact that their staff is largely composed by former Western military and security units has led some to suggests that it “has inherited routines in which established military practice and international law and custom are already contained” \textsuperscript{95}. This, however, cannot be considered a given: given their huge use of third country and local personnel, or insufficient vetting procedures of firms, the quality of the training personnel cannot be taken for granted, nor is the quality of the training received by the former military personnel running the programme sufficient to guarantee the quality of the training services they will carry out in a host country and the success of an outsourced SSR program.

The main risk inherent in any principal-agent relationship is that it is fraught with information asymmetries: the principal can never be completely sure of the capabilities, the preferences and the performance of the applicant. Two notions epitomize the constant information asymmetry that permeates the principal-agent relationship: adverse selection and moral hazard. Adverse selection refers to the moment of hiring an agent: the principal cannot be fully aware of the capabilities and the preferences of the applicants. Moral hazard, on the other hand, points at the activities of the agent once hired: no matter how much effort is put into monitoring, principals are assumed to be incapable of constantly observing the true behaviour of the agent. The complexity of military assistance and SSR programmes, the lack of reliable indicators of success and the often opaque nature of the private military and security industry further exacerbate these problems. While the information asymmetry is inherent in principal-agent relationships and may be particularly acute and hazardous when the activity delegated to a commercial actor involves the transfer of military capacities and may affect millions of stakeholders, actions can be taken to minimize the risks of adverse selection and moral hazard in SSR scenarios. Firstly, governments and international organizations should establish blacklists for rogue companies and be more proactive in vetting companies and testing their credentials\textsuperscript{96}. In addition, in order for states’ demand to develop its potential as both an incentive and a deterrent so as to shape the behaviour of the industry, governments should use their procurements consistently, taking into account companies’ good conduct as the major driver of contract awards and renewals. Strikingly, this was not always the case: PMSCs’ contracts were sometimes renewed even in spite of contractors’ poor performance

\textsuperscript{94} Ibid., p. 58
\textsuperscript{96} Mancini 2005, op. cit., p. 68
and human rights violations. In addition, contracts should specify detailed and meaningful performance evaluators to periodically assess firms’ progress. 97

Most importantly, systematic monitoring should also be ensured. Principal-agents analysis identifies two types of monitoring. Direct types of monitoring undertaken by the principal through inspections, auditing, reporting obligations, often referred to as police patrols, are the first, crucial kind of supervision on agents’ activities. Police patrols can be complemented by a different type of monitoring: fire alarms. The notion of fire alarms refers to the indirect supervision of agents undertaken by third parties, such as media, civil society actors, rival firms, and interest groups. 98 In the case of military assistance, a crucial fire alarm role can be played by the government receiving the training, but also by various civil society actors and both local and international NGOs operating in the host countries. These actors can valuably complement official monitoring, provided that they are given the chance to communicate to the donor government, possibly through embassies or consulates, the misbehaviour of the contractor. Not only the planning and the implementation of military training and security sector reform are the outcome of a network of both governmental and non-governmental actors: so should also be the supervision of military assistance programs on the ground, in order to better prevent monitoring gaps and ensure greater local ownership in the SSR processes. While this section has presented network analysis and drawn some preliminary caveats, the next pages will look more in detail at outsourced SSR arrangements and at their existing paths of supervision.

7. Outsourced SSR: delegation, monitoring and accountability paths
As mentioned above, two main types of arrangements between a public actor and a private firms offering security sector training and reform can be distinguished. Firstly, a foreign government can directly contract out a reform programme to a Western PMSC to run some military programme.

97 Dickinson, op. cit.
98 McCubbins and Schwartz 1984, op. cit.
The chart above shows the simplest type of outsourced military assistance principal-agent relationship: a government directly hires a PMSCs to train its military and security forces. Hence, a principal-agent relationship in the field of military assistance in its simplest form sees a host government as the principal and a PMSC as an agent. This was the case, for instance, when the Omani government hired Saladin to train its special forces or when the Sierra Leonian government contracted GSG to enhance the quality of its army and turn the tide of the fight against the RUF.\(^9\)

Outsourcing relationships, however, are rarely this simple. Firstly, PMSCs sometimes rely on some other firms as their subcontractors. The bid submitted by PAE for the training and fielding of the Liberian armed forces also involved MPRI as a subcontractor.\(^1\)

In addition, the government of the country where the PMSC has its headquarters is often involved, whether officially or informally. In the US, the abovementioned International Traffic In Arms Regulation makes the export of military services as well as goods conditional to the award of a license from the DoS Office of Defense Trade Controls. The State Department thus acts as a veto player, and hence as an enabler of the contractual relationship. In case of contracts exceeding the threshold of 50 million dollars, like that between Vinnell and Saudi Arabia in 1975, a further potential veto player comes to the fore, as Congress is also formally notified the contract: as abovementioned, however, this veto point can be easily circumvented. Such a type of relationship can be summarized by the following chart.

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It is worth mentioning that in some military assistance programs, the government of the country where the company has its headquarters is not only a veto player. In some cases, like Angola in 1996, the State Department lobbied actively to the Angolan government to replace the South African firm Executive Outcomes with the American firm MPRI\textsuperscript{101}. Like the armaments industry, the private military services industry is seen as a strategic sector, and is thus supported by home governments, which use it as a way to establish ties with foreign governments, reward allies and push forward their national interest.

However, there is also a second, widespread type of contractual relationship between public actors and private firms offering military assistance. In that case, it is the donor state that directly hires a PMSC with its military assistance or foreign aid budget to run a reform programme in a recipient country. Such a situation is only ostensibly similar to that of chart 1. While on legal and financial grounds the contractual relationship involves only the donor country and a private firm, the host country cannot be considered as just a passive recipient of reform for both normative and empirical reasons. Firstly, the activities of PMSCs on the ground depend on the authoritative decisions of their host government: hence, contractors cannot act independently of the government of the states where they operate. In addition, not considering the host government as a second principal would be incompatible with normative democratic theory, which reminds that the local populations that are directly affected by a decision should be involved in the political process leading to that outcome, at least through their representative institutions. Establishing a meaningful dialogue with local actors

\textsuperscript{101} Singer 2003, op. cit.
on the goals and the means of policy implementation, starting from the host government, is thus crucial for any programme to succeed.

To be sure, SSR and military assistance programmes can be implemented only with the consent of the host government. Concluding that accountability and transparency gaps should hence be seen as a non-issue, however, would be misleading. To begin with, SSR in post-conflict settings like Liberia was authorized by warring parties and non-elected transitional governments. In addition, host governments often agree without having any authority or voice on the way assistance will be delivered. It was widely held among Liberians, that the rebuilding of the AFL would have been carried out by US uniformed personnel. The outsourcing to PMSCs was an unilateral decision of the State Department take stakeholders came to know only in 2005, and proved to be very unsatisfied with.  

102 In summary, the initial consent of the host government may imply signing a blank cheque if the host country has no control whatsoever over the means of SSR implementation. The abovementioned dilemma does not belong exclusively to the private provision of military assistance, but is inherent in the so called paradox of SSR: due to the intrinsic democratic deficit of external interventionism, programmes aimed at establishing more responsive and accountable security forces can be implemented only by violating the very democratic principles they promote  

103 Privatized military training, however, is in danger of exacerbating this problem in at least two respects. While states’ foreign ministry and development agencies are accountable at least to their electorate and subject to many types of international pressures, private firms are commercial entities that do not enjoy any form of political accountability even when they perform inherently political functions. The tendency of PMSCs to outsource part of the programme to a subcontractor may create a further layer of unaccountability. The use of private military contractors also blurs the transparency of the reform processes: US proprietary and federal acquisition law, for instance, allow both private firms and governmental agencies to refuse the disclosure of the contracts they sign. In the case of Liberia, both the Minister of Defense and some MPs were denied access to the contract.

When a donor country outsources the provision of SSR to a private actor, given the need to consider the host government as a de facto second principal, the relationship between actors may thus be graphically summarized with a chart like the following.

102 Interviews with DoS Officials
103 Broszka, op. cit., p. 132
Such a situation may create additional problems. Exploratory studies on the private provision of SSR confirm this by observing that “contractors find themselves playing a ‘janusian’ game, answering to two clients – the donor and the recipient”\(^{104}\). This type of relationship, well known to principal-agent analysis, can more appropriately be referred to as the divided principal problem\(^ {105}\). The principal-agent dyad is often made more complex by the occurrence that the agent may have to respond to two different actors, such as the legislative and the executive branches of government. While sometimes required for the sake of democratic principles, such a situation may, according to principal-agent assumptions, breed problems and inefficiencies, as the two principals often have different preferences and expectations. It has been noted that it is often difficult for contractors “to navigate through these different or conflicting interests, and there is a danger that they become the agents of unwanted change, delivering the wishes of donors without the consent of recipient governments”\(^ {106}\). This may indeed be true and problematic: in order for SSR providers to run successful programmes, as abovementioned, PMSCs have to seek the cooperation with and active support of the institutions to be reformed, the host government and the main civil society actors. The divided principal problem is, however, more complex. The literature on democratic delegation and civil-military relations observes that in a situation of divided principals, the agent will be able to magnify its room of manoeuvre and behave less responsibly: it may, for instance, play its two principals one against another, or take advantage of their conflicting preferences to push forward its own agenda\(^ {107}\). Social network analysis provides similar insights. An agent with two principals, while hierarchically subordinate, finds itself at the centre of a network, and is therefore in the

\(^{104}\) Mancini 2006, p. 66  
\(^{105}\) Feaver, op. cit.  
\(^{106}\) Ibid., p. 19  
position to enjoy a further epistemic advantage by strategically controlling information and act as a broker between the preferences of each of its principals.\(^\text{108}\) It is hence important that besides monitoring the agent, the donor agency disclose the contractual term and remains in constant contact with the host government. Double principal situations may also be characterized by another problem: the possibility for the agent to collude with one of the principals. As suggested by Avant, contractors and the recipient government may both have an interest to show progress in the training programme so as to please the donor and make the money keep flowing although no actual progress is being made.\(^\text{109}\)

Next sections will provide a more fine-grained analysis of the case of Liberia, whose armed forces were trained and fielded by the two PMSCs Dyncorp and PAE, and try to apply some further insights drawn on principal-agent theory.

8. SSR in Liberia

In August 2003, the civil war in Liberia finally drew to a close with the signature in Accra of a Comprehensive Peace Agreement (CPA). Fourteen years of conflict had produced over 250,000 deaths and 1.3 millions of displacements, with law enforcement and military forces being massively involved in war crimes and human rights violations\(^\text{110}\). By the CPA, the parties requested the United Nations to deploy a peacekeeping force to Liberia and assist the implementation of the peace agreement\(^\text{111}\). Established in September 2003 by the UNSC Resolution 1509, the UNMIL mission, strong of over 15,000 personnel, helped the stabilization of the country and carried out a DDRR process entailing the disarmament of over 100,000 combatants\(^\text{112}\).

The CPA also explicitly envisioned the establishment of a SSR program. Articles VII and VIII of Part Four of the CPA declare that “the Armed Forces of Liberia shall be restructured and will have a new command structure”, and mention the actors to be involved in the SSR process by stating that

\(^{109}\) Avant 2005, p. 125
\(^{110}\) US Agency for International Development (USAID), Overview of Activities in Liberia, 4 May 2004
“ECOWAS, UN, AU and ICGL [International Contact Group on Liberia] provide advisory staff, equipment, logistics and experienced trainers for the security reform efforts. The parties also request that the United States of American play a lead role in organizing this restructuring program”.

With the resolution 1509, the UN also took over the responsibility of training the Liberian police, pledging to assist the transitional government of Liberia to reform the police force in a way consistent to democratic principles. The United States, on the other hand, would provide the human and financial resources needed for the reform of the Armed Forces of Liberia (AFL).

Not only the Liberian armed forces had committed massive human rights abuses when both Doe and Taylor were in charge: its tradition of politicization, lack of professionalism, ethnic unbalance and corruption dates back to its first establishment in 1908, where a first embryonic military force, the Liberian Frontier Force, was created to control the borders. Irregularly paid, the Liberian Frontier Force was encouraged to pay itself through racket and looting. In 1962, the Frontier Force was replaced by the Liberian Armed Forces, whose training and structure were made closer to those of modern military forces. Its ethnicization and politicization, however, persisted unaltered. After Samuel Doe’s military coup in 1980, the AFL came to be dominated by the president’s Krahn tribe. In spite of its authoritarian nature, Doe’s regime received massive supplies of weapons and military assistance from US and Israeli forces. When Charles Taylor took over power, the policy of ethnicization persisted, together with the massive reliance on well paid, praetorian-style Special Operation Forces such as the Anti-Terrorist Unit, with the rest of the AFL and the police were being marginalized and often left unpaid. Such a situation, together with the legacy of atrocities of the civil war, made a comprehensive reform of both the military and the police force paramount.

SSR officially started in 2004, with UN police officers (UNPOL) working alongside the UN peacekeeping force (UNMIL) to restructure, retrain, and re-equip the police. As of the reform of the military, the US Department of State organised an initial assessment trip in January 2004, followed by an expert’s assessment in May, when uniformed personnel from the DoD and contractors from Dyncorp and Engineers visited the country. Following the assessment mission, DOD concluded it could not conduct the SSR programme owing to resource constraints, largely stemming from US commitments in Iraq and Afghanistan. Hence, the State Department decided to fully contract out the task of reconstituting the AFL and MoD by tendering a request for proposals. As the two winners of the AFRICAP umbrella contract, only Dyncorp and PAE were allowed to submit bids. After reviewing the two bids, the DoS decided to split the contract, awarding to Dyncorp the vetting

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113 International Crisis Group 2009, op. cit., p. 2
114 McFate, op. cit.
and the training of the AFL and to PAE the fielding and mentorship of the new force. While the terms of the contract were never disclosed, its total value is known to be around 240 million dollars.\textsuperscript{115} While the personnel deployed on the ground varied over time, it involved approximately between 200 and 300 American or US army trained contractors, with few other hundreds employees carrying out support functions.\textsuperscript{116}

While the involvement of DynCorp and PAE in the training and fielding of the new AFL is well-known, and often considered as “the most controversial aspect”\textsuperscript{117} of the SSR program, it is also worth noting that the non-governmental and commercial sectors were already involved in the designing of the programme before contractors’ assessment trips. In 2004, MPRI carried out a study for the US Department of Defense on the financial viability and the costs of the AFL to be built.\textsuperscript{118} In addition, the architecture of the new AFL is largely depended on the recommendations of a report written for the Office of the Secretary of Defense by the Rand Corporation.\textsuperscript{119} The Rand report recommended the simplification and rationalization of the force structure, previously characterized by duplications and overlaps. In addition, it suggested to complement a small and therefore affordable AFL consisting of a 2,000 strong mechanized infantry brigade to be rebuilt from scratch, already envisaged by the MPRI report and the US DoD, with a Quick Reaction Police Unit, an elite police unit which could address major domestic threats and support the military in case of national security emergency, and a Coastal Guard. This way, according to the RAND report, Liberia could develop the capability throughout the spectrum of security threats while having an affordable force structure. Considerations of affordability were crucial given the propensity of unpaid military forces to turn themselves into a major threat for the state apparatus.\textsuperscript{120} RAND’s recommendations were strictly followed in the planning and the implementation of the SSR programme. DynCorp was assigned the task to train not only the AFL, but also the QRU. The Coast Guard on the other hand, given its very small size, was built directly by the US Office of Security Cooperation military personnel in Monrovia, and sent to complete their training into US bases.\textsuperscript{121} The military reform process, started in 2004, should not be considered as complete yet. Indeed, while the contractors in charge of the training have left the country in December 2009, there are

\textsuperscript{115} Author’s interviews with DoS Officials, DoD Uniformed Personnel and representatives of the industry
\textsuperscript{116} Ibid.
\textsuperscript{117} Malan, op. cit., p. 28
\textsuperscript{120} Ibid.
\textsuperscript{121} Author’s interview with US uniformed personnel
now DoS funded AFRICOM uniformed personnel mentoring the newly established force, with some DynCorp contractors still on the field for bases and equipment maintenance.\textsuperscript{122}

The SSR programme in Liberia can be divided into four phases: political consultations with stakeholders, demobilization of the legacy force, recruiting and vetting and finally training and fielding of the new AFL.\textsuperscript{123} While DynCorp contractors were originally intended to carry out only the recruiting, vetting, training and fielding of the AFL, they ended up playing a significant role in each stage of the SSR process. The designing of the new AFL was largely the outcome of bilateral negotiations between the US State Department and in particular the US Ambassador, the Embassy Office of Defense Cooperation Chief and the African Bureau personnel in Washington, and the TGL, in particular chairman Bryant and the provisional Minister of Defence. Other stakeholders were also involved, such as civil society, the standing AFL, former warring parties and political factions, the UNMIL command and ECOMOG. Consultation with the Transitional government and SSR providers continued throughout the process. During that phase, according to then DynCorp programme manager Sean McFate, the US Embassy had to act as an interface between the contractors and the transitional government first and the elected government after the elections held in 2005. However, given the Embassy’s strain on personnel and lack of expertise in military matters, much of the day-to-day exchange of views and information occurred directly between contractors and Liberian authorities, without any US government filter. Hence, DynCorp played a de facto crucial and direct role in the consultations between the donor and the host governments. The information asymmetry inherent in any principal-agent relationship was worsened by expertise gap of US officials: the Office of Defence Chief in the period between August 2005 and July 2007 was a US Navy officer with no experience on the training of ground forces.\textsuperscript{125}

As of the second phase, involving the demobilization of the legacy force, DynCorp contractors deployed in the country after the start of DoS funding in March 2004 had found the demobilization process still incomplete. The UN had disarmed and started demobilizing the rebels, with NGOs helping the rehabilitation and reintegration process. The legacy force, however, had not yet been demobilized. As a consequence, the demobilization of former AFL members, a sensitive task that could trigger further destabilization and turmoil, fell on contractors. The solution adopted in consultation with the DoS was arranging the demobilisation payments for all 13,770 AFL soldiers

\textsuperscript{122} Author’s interviews to DoS officials
\textsuperscript{123} McFate, op. cit.
\textsuperscript{124} Ibid. See also Ebo, op. cit.,
\textsuperscript{125} Author’s interviews to DoS Officials, Office of Defense Cooperation Chiefs and Representatives of the private military and security industry
and more than 400 ministry employees\textsuperscript{126}. This solution eased the demobilization process, which occurred without major incidents. However, the lack of the required funding produced a huge delay in the training process, and forced most contractors deployed in the country to remain idle until additional US funds were allocated.

The contract between the State Department and DynCorp also made contractors responsible of the training and recruiting of the AFL. Due to the legacy of atrocities in the country, the need to build a legitimate and trustworthy military, the huge number of applicants, the vetting process can be considered as a highly demanding and largely successful tasks. To carry out a comprehensive vetting process, DynCorp sought the cooperation of local NGOs and established an investigation team who systematically visited the villages of AFL candidates so as to confirm their identity and shed light on their past. In addition, DynCorp sought to establish direct communication channels with individual stakeholders by distributing posters with applicants’ photographs and a call-in number where people could anonymously lodge accusations of wrongdoing that would later on be investigated by contractors’ investigation team. Rejection rates prove the magnitude of vetting efforts. Indeed, rejection rates for AFL candidates were 82\%. While DynCorp’s investigation team short listed the candidate by vetting the applicants, the final decision over the admission of the candidates was made by a Joint Personnel Board, headed by the Office of Defense Cooperation Chief, the Ministry of Defense and the Dean of the Law School, so as to representing both donor and host governments and local civil society\textsuperscript{127}. Only very few of the short listed candidates were rejected, further confirming the quality of the vetting process\textsuperscript{128}.

While DynCorp sought the mutual cooperation of the host government and local civil society, the vetting process triggered some friction with the newly established Truth and Reconciliation Commission, as the company refused to disclose to the TRC their investigation reports. Such a choice was a conscious decision that SSR providers as well as their US supervisors justify on two grounds. First, investigators wanted their records to remain classified so as to protect witnesses from reprisals, prevent new waves of violence and avoid compromising the effectiveness of their vetting methods. In addition, using their vetting records for Transitional Justice purposes would have given contractors a \textit{de facto} police investigation role they were not mandated for and not willing to play.

Before the training started, DynCorp was also assigned the task of buying the arms to field the soldiers to be trained. In August 2006, the UN arms embargo on Liberia was lifted and the first shipment of arms reached the country. In March and September 2007 respectively, 105 civilian

\textsuperscript{126} McFate, op. cit., p. 648  
\textsuperscript{127} Malan, op. cit.  
\textsuperscript{128} Author’s interviews
personnel of the Ministry of Defence accomplish their training classes and 630 AFL rookies finished their eight weeks Initial Entry Training. Their training would proceed once assigned to their military unit, under the supervision of contractors and ECOMOG officials. As of September 2008, 2,113 soldiers were provided with the IET basic training. While the AFL has not yet been tested against any actual threat, and only time will confirm its effectiveness and accountability, most authors agree that its rebuilding from scratch can be considered to date as a provisional success, especially in comparison to the vetting and training of the police carried out by the UN, fraught with inconsistencies and lack of funding.

However, three problems can be raised. Firstly and most importantly, due to delays and lack of funding, the duration of the IET training was shortened from eleven to eight weeks by cutting three weeks that were devoted to human rights, civil-military relations and laws of war. As human rights respect lies at the core of SSR and human rights violations were widespread among the former AFL, such a type of training should have been central in the reform process.

In addition, the AFL still lacks a competent official corps. By the end of June 2008, DynCorp had conducted four NCO courses, training 227 candidates but only 33 had been commissioned. This situation, to some extent unavoidable when a new army rebuilt from scratch, is however in danger of compromising its operational effectiveness. The development of AFL autonomous training capacity was also delayed as the unit in charge of training was one the last to be trained. Finally, in spite of their training, the new Ministry of Defense personnel still lacks the standard operating procedures and the bureaucratic routines that are crucial for ensuring both rule of law and operational effectiveness.

These caveats notwithstanding, SSR in Liberia can be considered according to most efforts as a provisional success. The positive outcome of the programme, however, should not lead scholars and practitioners to overlook the potential problems and dilemmas that may arise from the relationship between public principals and commercial agents carrying military and police assistance. On the contrary, given the proven potential of commercial actors and the high likelihood that the experience of Liberia will encourage greater reliance on the commercial sector, analyzing the paths of monitoring and accountability of commercial actors carrying out SSR should be seen as crucial.

129 International Crisis Group, op. cit., p. 13
130 Author’s interviews. See also Malan, op. cit.; International Crisis Group, op. cit.
131 McFate, op. cit., at 650
132 Ibid. See also Ebo, op. cit.,
133 Author’s interviews with Office of Defense Cooperation Chiefs
134 Author’s interviews with DoS Officials
9. Principal-Agent problems: the case of Liberia

As abovementioned, private actors were involved both in the planning and the implementation phase of the program. As a type of SSR program outsourced to contractors by a donor country, the case of Liberia should be considered as a *de facto* double principal problem. While depending only on the State Department on legal and financial grounds, US contractors had, for the sake of operational effectiveness and local ownership, to engage in a constant dialogue with local stakeholders, starting from the government of Liberia.

Firstly, however, US government’s contracting procedures need to be analyzed. According to US Federal Acquisition Regulation, the U.S. Government is bound only by an individual who has been delegated contracting authority: the Contracting Officer, appointed by the DoS Procurement Executive. The Contracting Officer is the only person who can formally solicit proposal, negotiate, award, sign, change and terminate contracts. While Contracting Officers has the legal authority and the expertise to manage contracts, they often lack the knowledge of the contractual environment and of the broader US needs and foreign policy goals. For this reasons, another individual among the Department of State personnel is designated as contracting officer's representatives (CORs). The COR is the “eyes and ears” of the contracting officer, and assists her in the management and supervision of the contract. While being the direct overseer of contractors, the COR is not authorized to make changes to the contract or commit the US government. In the case of SSR in Liberia, the contracting officer representative was a DoS Official from the African Bureau, specialized in Western Africa.

Both the Contracting Officer and the Contracting Officer Representative, however, may be ill suited to monitor programmes that take place overseas and require a high degree of technical expertise like SSR. In such cases where the supervision of a contract requires physical proximity or technical expertise (or, as in the case of SSR programmes, both) the Contracting Officer “may appoint an individual to assist the contracting officer’s representative in monitoring a contractor’s performance. This individual is called a government technical monitor (GTM). A GTM may be appointed to provide technical monitoring, advice, and assistance, aiding the COR in the evaluation of a contractor’s performance. The contractual and monitoring relationship between contractors and US government agencies could hence be summarized with a chart of this type, which distinguishes two types of relationships between actors: delegation and supervision.

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135 U.S. Department of State Foreign Affairs Handbook Volume 14 Handbook 2—Contracting Officer’s Representative, Role and Responsibilities in the contracting process, URL
137 DoS, Roles and Responsibility in the contracting process, p. 6
In summary, while the Contracting Officer is the ultimate principal, the responsibility to monitor the contract is delegated to the Contracting Officer Representative, helped by a Government Technical Manager in the person of the DoD Office of Defense Cooperation chiefs in Monrovia. Given their constant presence on the ground and their technical expertise, much of the day-to-day monitoring of contractors fell on US Army ODCs, who reported their findings to the COR on a weekly basis at least. The COR would then report to the Contracting Officer, the only official with the authority to make changes to the contract and take measures against contractors. According to the US DoS, this system of separating the duties of the contracting activity provides for a system of checks and balances for better overall control of the contracting process. However, such a system may also produce delays or loss of information if the supervision chain does not function properly. Evidence suggests that this was not the case in Liberia. ODC chiefs carried out a strong supervision through auditing, inspections and quality controls, and effective teamwork and constant exchange of information made DoS personnel capable of performing effective monitoring on the activities of Dyncorp contractors. In addition, the Contracting Officer Representative herself repeatedly visited the country, talking to both contractors and the Liberian Minister of Defense and stakeholders, and was in contract with PMSCs’ officials both in the field and in their headquarters in Washington DC.

Two potential problems are however worth some attention. Due to Department of Defense turnovers, ODC chiefs remained in the country for a period of two years at best. While instructed by their predecessors, new ODCs needed time to get acquainted with the contractual environment and

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139 Author’s interviews
their supervision role, or not be capable of assessing the SSR programme in its entirety. In addition, as abovementioned, one of these ODCs was a US Navy officer. In such a situation, the entire supervision process depended on a person who, because of its background, was not in the best position to supervise ground forces recruiting, training and fielding. An additional problem may have been the contract itself. While never disclosed to the public and even to the Liberian government, various interviewees who saw the contract described it as a three pages long, quite vague document that left huge autonomy to contractors. This is to some extent in the nature of Indefinite Delivery – Indefinite Quantity contracts used in contingency situations.

While this ensures greater flexibility, which is paramount in such a complex environment, the lack of adequate terms of reference contractors’ performance makes supervision difficult and produces inefficiencies. A further weakness may arise from the broader DoS outsourcing policy in Africa. The five-years long AFRICAP umbrella-contract was awarded to two firms only, which made meaningful competition impossible and makes the deterrent of breaking the existing contract or not awarding new procurements to a delinquent firm less credible. While it is widely held in the literature on industrial relations that public demand is a very effective tool in the regulation of a market, this holds true only insofar as the governmental customer can choose among different players and proves capable of using its customer power effectively, rewarding good performance and punishing non-compliance. The low level of competition for peacekeeping support in Africa and of the private military and security industry in general weakens the effectiveness of public demand as a tool of control.

The previous paragraphs tried to briefly show some potential problems in US monitoring of PMSCS. It is the relationship between contractors and host government and stakeholders, however, that proved more difficult and fraught with problems. While none of these seems to date to have altogether compromised the effectiveness of the programme, some may have alienated the willingness of local actors to cooperate, spoiled the feeling of local ownership and created a precedent of secrecy and lack of transparency that is clearly at odds with the rationale of the entire SSR programme. The risk of collusion between contractors and host government emphasized by Avant does not seem to have taken place in Liberia, where local actors were often in a tense relationship with contractors.

According to McFate, contractors’ unique position, distinct from both the donor and the host government, may have produced also positive effects, allowing Dyncorp to be more responsive to local stakeholders’ requests. Because of their lack of bureaucratic standard operating procedures, Dyncorp and PAE could better avoid the simplistic application of US army templates to the making

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140 International Crisis Group, op. cit., p. 34
of the AFL, and found themselves in a better position to accommodate stakeholders’ demands. This allowed Liberians to successfully obtain the inclusion of women into infantry units, discouraged by the US DoD\textsuperscript{141}. Indeed, evidence shows that contractors in Liberia were well aware of the need to cooperate with local stakeholders, and sometimes managed to engage in a successful dialogue with local actors, seeking for instance the cooperation of local NGOs in the vetting process. In most cases, however, this dialogue was not without friction. In the case of the Truth and Reconciliation Commission, Dyncorp explicitly refused to cooperate, a decision that, while defensible on some grounds, could have alienated local actors and played against the establishment on local ownership on the SSR process. According to Ebo, the dialogue with NGOs was also difficult because DynCorp’s reputation and previous activities, heavily criticized by humanitarian actors, “placed the company on the defensive and acted as a disincentive to close collaboration with civil society”\textsuperscript{142}.

Most importantly, the relationship with the Liberian elected government was not easy for at least two factors. Firstly, as abovementioned, governmental actors were frustrated with the lack of transparency and information over the content of the contract: every local actor, comprising the Minister of Defense and some MPs were refused to see the contractual terms because of US proprietary information law. While Liberians were kept updated on the activity of contractors, either by direct communication with Dyncorp representatives or through the Office of Defense Cooperation Chief and some changes to the contract were made to accommodate the Minister’s requests, the refusal to disclose the contract prevented the Liberians from having any term of reference to assess contractors’ performance, and, most importantly, created a sense of secrecy that went contrary to the culture of openness and accountability that is meant to characterize SSR programmes.

In addition, the Defence Minister Samukai as well as president Sirleaf were unsatisfied in principle with the US’ decision’s to use contractors rather than American uniformed personnel, a decision on which they had no control. According to the Defence Minister, the US active duty military personnel who were training Liberian medics “did not look into their bank account every day to find out if funds had been made available or not to undertake the next level of activities. They consulted with local institutions and worked closely with the Ministry of Defence at every step. They reported to an entity that was visible and to whom they were accountable. They were transparent in their dealings with the Liberian government and they showed respect for local authorities, customs and laws”\textsuperscript{143}.

\textsuperscript{141} McFate, op. cit., p. 651-652
\textsuperscript{142} Ebo, op. cit., p. 163
\textsuperscript{143} The Perspective, 2007, Minister Brownie Samukai Discusses Liberia SSR in US, 22 May
This, on the other hand, was not the case for contractors. It was noted that “in a country and region where recent history has been shaped by warlords and mercenaries, the U.S. Department of State has shown remarkable insensitivity by sending in contractors to shape the new army”. Contractors cannot be considered as mercenaries on either formal or substantial grounds. Nevertheless, as shown by the words of the Liberian Minister of Defense, it still holds true that their employment is often a sensitive issue that some local actors may not be willing to accept.

According to DoS sources, Liberians’ dissatisfaction with contractors was largely a matter of perceptions. Local actors were against the use of contractors simply because they found the employment of US uniformed personnel as more prestigious than the use of a PMSC. Indeed, the services provided by contractors were nearly identical to the training that would have been provided had US soldiers been employed. Whether correct or not, however, perceptions are hardly trivial in international politics. SSR in Liberia was among DoS top priorities in Africa. The employment of contractors conveyed a wrong message to Liberians, suggesting that their country was not important enough to justify the employment of active duty military personnel as trainers. In addition, the use of uniformed personnel in post-conflict and transitional settings, can be considered as important for another reason too. Foreign military training is seen as the main way to establish and maintain formal and informal military ties that can later on be used as a tool of foreign policy influence. Informal connections between US officials and their counterpart in a developing country can be used as a source of intelligence and, most importantly, as tools of moral persuasion that may help dissuading coups, or encourage further progress towards greater accountability and human rights respect. For profit training carried out by the civilian personnel of a commercial firm is unlikely to have the same effects.

Conclusions
This paper has provided an overview of the role of the commercial sector in the planning, funding and implementation of military assistance and SSR, while focusing in particular on the provision of training by private military and security companies. By doing so, it intended to achieve three objectives. First, it tried to preliminarily fill the existing gap in the literature on both private military companies and SSR by exploring the role of PMSCs in military assistance with both a

144 Malan, op. cit., p. 69
146 Author’s interviews
147 On the importance of ties among US and foreign military personnel see for instance Singer P.W. 2008, Lessons Not Learned: Contracting Out Iraqi Army Advising, the Brookings Institution
general overview and an in-depth case study. Second, it tried to flesh out the notion of security networks by presenting the different types of public-private arrangements and networked forms of coordination that characterize military assistance policies in different countries. Finally, it briefly showed the potential of network analysis as a valuable heuristic tool to provide greater theoretical sophistication to the analysis of the relationship between PMSCs and both donor and host countries as well as generate hypotheses on the advantages and potential problems and accountability gaps that may arise from the outsourcing of military assistance.

While the case of SSR in Liberia, presented in this pages, can be seen as a watershed in SSR and provide valuable insights, it needs to be complemented with the analysis of other outsourced programmes, so as to better investigate the potential as well as the problem associated with the reliance on and the monitoring of PMSCs and their acceptance by local actors. Indeed, this brief overview of the role of PMSCs in security sector reform should be seen as a work in progress, to be completed in the next months with the in-depth analysis of additional case studies and a comprehensive fieldwork.