

The Costs of Outsourcing War:  
Private Military Corporations in Iraq and Afghanistan

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The United States is considered the preeminent military power of the world. Yet, it is also a military force that today cannot get to the battlefield, feed and house its soldiers, or even protect its bases without the support of a network of nonstate actors. These organizations are sometimes listed on stock exchanges worldwide; they have glossy, professional Web sites and legions of press agents and lobbyists. They are private military corporations (PMCs). Their duties range from cooking and cleaning to planning and even carrying out covert operations to capture Osama bin Laden. But military privatization comes at a severe price—not just in terms of dollars, but also in terms of national security, democratic ideals, and human lives. By relying heavily on PMCs to carry out military operations, the U.S. Department of Defense is undermining its own counterinsurgency efforts in Iraq and Afghanistan.

Our country's reliance on private military corporations did not happen overnight, and although the corporatization of PMCs is relatively new, the idea of privatization is not. From the time of Alexander the Great to the Napoleonic era, private soldiers made up the bulk of military forces. Citizen armies emerged with the invention of cheap, easy-to-use muskets in the early 19th century. Yet as recently as the Cold War, U.S. armed forces were traditionally organized, with conventional army, naval, and air units in combat against similar Soviet units. The idea, of course, was for the military to be self-sufficient. However, as P. W. Singer explains in his book *Corporate Warriors: The Rise of the Privatized Military Industry*, when the Cold War ended in 1991, the Department of Defense began closing bases and dissolving or combining units, setting the stage for the large-scale outsourcing of military operations.<sup>1</sup> Jonathan Euchner, professor of political science at Missouri Western State University, explained that the shift to PMCs must be seen in the

context of the overall privatization movement within the U.S. government that began in 1978 under President Jimmy Carter and gained momentum during the 1980s and 1990s.<sup>2</sup> While the role of PMCs remained modest throughout the 1990s, new military engagements after 9/11 provided new opportunities for PMCs. As detailed by investigative journalist Jeremy Scahill in his book *Blackwater: The Rise of the World's Most Powerful Mercenary Army*, the War on Terror as prosecuted by the Bush administration accelerated the privatization of military functions. The new secretary of defense Donald Rumsfeld would codify this concept, which became known as the Rumsfeld Doctrine.<sup>3</sup> In this doctrine, a highly mobile infantry force supported by airstrikes and by contractors would chase Osama bin Laden and al Qaeda in retaliation for the terrorist attacks on the World Trade Center and the Pentagon. The demand for contractors skyrocketed after the invasion of Iraq, with an overextended military needing more and more support as the repeated deployments dragged on for years. Now, the United States is in the final stages of its involvement in one foreign conflict and intractably embroiled in another. The combat mission in Iraq officially ended on August 31, 2010, but, with an insurgency that's growing stronger rather than weaker in Afghanistan, the planned 2011 withdrawal from that theater of war will likely be scaled back.<sup>4</sup>

Today, companies like DynCorp and Blackwater (now Xe Services) are some of the biggest, most diversified PMCs in a crowded market. In a 2007 online chat with the *Washington Post*, Singer, director of the 21st Century Defense Initiative of the Brookings Institute, asserted that at the time there were about 170 firms doing business in Iraq alone.<sup>5</sup> A July 2010 analysis by the Congressional Research Service reported that "contractors make up 54% of the workforce in Iraq and Afghanistan," meaning that contractors slightly outnumbered U.S. soldiers deployed to those countries. More than 13,000 of these contractors are armed.<sup>6</sup> With so many firms and their contractors in play, the dollar amounts involved are unsurprisingly high. The Congressional

Budget Office estimated that the Department of Defense spent \$76 billion on contractors in Iraq between 2003 and 2007.<sup>7</sup> The staggering cost raises an important question in the mind of any taxpayer: What are we getting for that money?

As Dr. Euchner pointed out, the civilian and military leadership of the United States is attracted to contractors because they offer streamlined services, with supposedly less bureaucracy and fewer regulations. As Erik Prince, the cofounder and owner of Blackwater/Xe Services, put it, “Our corporate goal is to do for the national security apparatus what FedEx did to the postal service.”<sup>8</sup> However, critics of PMCs would say that we’re buying the services of mercenaries, since both contractors and mercenaries are essentially hired guns. Throughout his book, Scahill provocatively uses “private military corporation” and “mercenary” as interchangeable terms, underscoring their similarities but failing to provide definitions of either. Yet a look at definitions in Singer’s *Corporate Warriors* reveals that PMCs and traditional mercenaries differ in several key ways. Perhaps the most important difference is that a private military corporation is just that: a legal corporate entity<sup>9</sup> (as opposed to the illegal adventurer or ragtag squad evoked by the word “mercenary”). Another significant distinction is that PMCs offer a wide range of services—“training, logistics, support, operational support, post-conflict resolution,” according to the head of the PMC Sandline<sup>10</sup>—while mercenaries can rarely do more than engage in combat. However, while PMCs, unlike most mercenaries, are legal, corporate, and diversified in their capabilities, several high-profile abuse cases reveal that it is no wiser to rely on PMCs than on the mercenaries of old.

Numerous examples of abuses, negligence, and outright crimes have taken place since the post-9/11 expansion of the private military industry, and only a handful can be recounted here: A 2002 *Salon* feature details the experiences of the whistleblowers who exposed the sex trafficking

that DynCorp International employees, under contract to service helicopters during peacekeeping operations, engaged in while stationed in Bosnia.<sup>11</sup> Scahill writes of the largely underreported involvement of contractors from the San Diego–based Titan Corporation and the Virginia-based CACI in the now infamous torture of Iraqi detainees at the Abu Ghraib prison compound in 2004.<sup>12</sup> And in what has become known as the Nisour Square Massacre, Blackwater employees killed 17 Iraqi civilians at a busy intersection in Baghdad.<sup>13</sup> These are, of course, only a small sampling of contractor abuses, but they are clearly criminal actions—incidents that can't be explained away as an errant bullet or a malfunctioning “smart” bomb.

It might be argued that these abuses are the actions of the individuals hired by a corporation, not part of corporate policy. And it might be further argued that in some of these cases, regular U.S. troops can and have committed similar crimes (and in the case of Abu Ghraib, were participating right along with the contractors). But a major difference between a contractor and a U.S. soldier is accountability. While there might exist the same opportunity to commit crimes between the private and public sectors, there are clear consequences in place for regular troops, who are subject to the Uniform Code of Military Justice (UCMJ). As of October 2010, 34 U.S. Army soldiers had been court-martialed on charges of murder or manslaughter of civilians in conflict zones in Iraq and Afghanistan, and 22 of those soldiers were convicted.<sup>14</sup> In contrast, it was only in 2006 that the UCMJ was amended so that contractors could be charged with criminal actions under the court-martial system.<sup>15</sup> Unlike regular troops, contractors are backed by strong money: Lobbying groups fight hard and spend millions to make sure the corporations are not held accountable.<sup>16</sup> Although charges were brought against five Blackwater men for the 2007 Nisour Square Massacre, the case was dismissed when the judge ruled that the prosecutors could not use statements that the accused had given to State Department investigators on the condition that the

information could not be applied as evidence. As reporter James Risen explains in a recent *New York Times* article, “The Blackwater personnel were given a form of immunity from prosecution by the people they were working for and helping to protect.”<sup>17</sup> Though the State Department has appealed the Nisour Square case, there have yet to be serious legal consequences for these and other contractors who commit crimes.

The atmosphere of lawlessness inherent in battle zones is compounded by the illegal acts of some of these contractors, which, in a low-intensity conflict, may turn citizens into insurgents. The *Army Field Manual* states that “people who have been maltreated or have had close friends or relatives killed . . . may strike back at their attackers. Security force abuses . . . can be major escalating factors for insurgencies.”<sup>18</sup> And, as the Congressional Research Service report points out, Iraqi and Afghan civilians don’t always know the difference between a U.S. soldier and a contractor, meaning that, in the minds of the people, the actions of contractors directly reflect on the U.S. military.<sup>19</sup> However, despite the people’s inability to tell them apart, contractors and U.S. soldiers have significantly different motivations. By definition, those in the military are serving their commander-in-chief while those hired as contractors are serving a for-profit company. In regards to PMCs’ bottom lines, it would actually be advantageous to shoot first and ask questions later, engendering more fear and insecurity and therefore the need for more contracted security guards. This positive feedback loop should not be considered as some elaborate conspiracy; the situation is merely part of the culture and nature of profit-motivated actors. It’s the reason why, until the last couple of decades, defense operations have overwhelmingly been left up to the public, not the private, sector: Ultimately, the motivation of profit is not necessarily in line with the motivation of national security.

Given the potential costs in justice and national security, why hire contractors at all?

Ironically, perhaps the most often cited reason for using private contractors is that using these corporations saves the taxpayer money since the government can hire them on an as-need basis and does not have to pay for contractors' training, health care, or pensions.<sup>20</sup> Professor Allison Stanger of Middlebury College challenges this notion in her 2009 book *One Nation Under Contract: The Outsourcing of American Power and the Future of Foreign Policy* when she points out that nearly all private contractors previously served in the military, meaning that many of them are receiving pension payments anyway. Stanger writes that "the federal government is effectively paying for the training and retirement of the contractors it hires, all appearances to the contrary, as well as paying double or triple the daily rate for their services."<sup>21</sup> Therefore the Department of Defense would actually save taxpayers money by reversing the trend of privatization.

However, reducing the role of PMCs is very difficult because the more money the U.S. government spends hiring these firms, the more these firms can afford to offer in salary, and the more soldiers aspire to leave the military to work for private companies.<sup>22</sup> A brain-drain occurs, sapping the strategic and tactical knowledge of the military, thus creating an increased need for PMCs. Lt. Col. Michael Brothers, who enlisted in 1981, described this process as one that has been emotional for many in the armed forces as men and women in uniform saw their chosen specialties phased out or privatized out from under them.<sup>23</sup> Essentially, PMCs have created a void, filled it, and recreated the void so they can refill it, ad infinitum. This makes it increasingly difficult to reverse the current state of overreliance on PMCs since, according to the Congressional Research Service report, "many analysts now believe that DOD [the Department of Defense] is unable to successfully execute large missions without contractor support."<sup>24</sup> The vicious cycle of paying for help and then becoming more helpless makes it imperative that the United States ends its dependence on PMCs as soon as possible.

U.S. citizens should better understand how our military operations are carried out overseas, since the wars in Iraq and Afghanistan affect our security, our taxes, and our consciences as Americans. But we in the polity have not demanded that contractors paid by the government for military services be held accountable for their actions, and neither have we demanded that our leaders recognize and address the growing threat to national security PMCs represent. A recent bill called the Stop Outsourcing Security Act, submitted to both houses of Congress by Representative Jan Schakowsky (D-Ill.) in the House and Senator Bernie Sanders (I-Vt.), offers one potential route to intervention. The act would “prohibit the use of private contractors for military, security, law enforcement, intelligence, and armed rescue functions unless the President tells Congress why the military is unable to perform those functions.”<sup>25</sup> The passage of this act could be the first step in the process of phasing out the use of private contractors and returning military operations to the public sector. On her Web site, Schakowsky urges Americans to contact their representatives to cosponsor the legislation and become citizen cosponsors of the Stop Outsourcing Security Act themselves. In the end, we as voters and taxpayers must ask ourselves, who do we want to carry out U.S. defense missions abroad: those accountable to the U.S. military, or those beholden to private corporations? Given the costs in justice and in dollars, it’s clear that the U.S. military has come to overrely on PMCs to a point that is dangerous to national security and national interests. This reliance must be reduced, perhaps excised entirely.



## Notes

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2. Jonathan Euchner, personal interview, September 25, 2010.
3. Jeremy Scahill, *Blackwater: The Rise of the World's Most Powerful Mercenary Army*, 2nd ed. (New York: Nation Books, 2007), 49-51.
4. C. J. Chivers, et al., with contributions from Jacob Harris and Alan McLean, "View Is Bleaker Than Official Portrayal of War in Afghanistan," *New York Times*, July 25, 2010, <http://www.nytimes.com/2010/07/26/world/asia/26warlogs.html>; Eric Schmitt, Helene Cooper, and David E. Sanger, "U.S. Military Seeks Slower Pace to Wrap Up Afghan Role," *New York Times*, August 11, 2010, <http://www.nytimes.com/2010/08/12/world/asia/12policy.html>.
5. P. W. Singer, "Outlook: Break the Blackwater Habit," transcript of online discussion, *Washington Post*, October 8, 2007, <http://www.washingtonpost.com/wp-dyn/content/discussion/2007/10/05/DI2007100501642.html>.
6. Moshe Schwartz, *Department of Defense Contractors in Iraq and Afghanistan: Background and Analysis*, Congressional Research Service, July 2, 2010, 18.
7. Ibid., 2.
8. Erik Prince speaking at West 2006 conference, January 11, 2006, quoted in Scahill, *Blackwater*, xix.
9. Singer, *Corporate Warriors*, 46.

10. Andrew Gilligan, "Inside Lt. Col. Spicer's New Model Army," *Sunday Telegraph*, November 24, 1998, quoted in Singer, *Corporate Warriors*, 46.
11. Robert Capps, "Outside the Law," *Salon*, June 26, 2002, [www.salon.com/2002/06/26/bosnia](http://www.salon.com/2002/06/26/bosnia).
12. Scahill, *Blackwater*, 221.
13. Charlie Savage, "Judge Drops Charges from Blackwater Deaths in Iraq," *New York Times*, December 31, 2009, <http://www.nytimes.com/2010/01/01/us/01blackwater.html>.
14. Charlie Savage, "Case of Accused Soldiers May Be Worst of 2 Wars," *New York Times*, October 3, 2010, <http://www.nytimes.com/2010/10/04/us/04soldiers.html>.
15. P. W. Singer, "The Law Catches Up to Private Militaries, Embeds," Brookings Institute, January 4, 2007, <http://www.brookings.edu/research/articles/2007/01/04defenseindustry-singer>.
16. Barry Yeoman, "Soldiers of Good Fortune," *Mother Jones*, May 2003, <http://www.motherjones.com/politics/2003/05/soldiers-good-fortune>.
17. James Risen, "Efforts to Prosecute Blackwater Are Collapsing," *New York Times*, October 20, 2010, <http://www.nytimes.com/2010/10/21/world/21contractors.html>.
18. Department of Defense, *Counterinsurgency*, FM 3-24, December 2006, quoted in Schwartz, *Department of Defense*, 16.
19. Schwartz, *Department of Defense*, 16.
20. David Isenberg, "Contractors and Cost Effectiveness," CATO Institute, December 23, 2009, <http://www.cato.org/publications/commentary/contractors-cost-effectiveness>.
21. Allison Stanger, *One Nation Under Contract: The Outsourcing of American Power and the*

*Future of Foreign Policy* (New Haven, CT: Yale University Press, 2009), 96–97, quoted in Isenberg, “Contractors and Cost Effectiveness.”

22. Robert Young Pelton, *Licensed to Kill: Hired Guns in the War on Terror* (New York: Three Rivers Press, 2007), 58, quoted in Scahill, *Blackwater*, 221.

23. Michael Brothers, phone interview, September 20, 2010.

24. Schwartz, *Department of Defense*, 1.

25. “Schakowsky, Sanders Seek to Phase Out Private Security Contractors,” Congresswoman Jan Schakowsky, July 27, 2011, <http://schakowsky.house.gov/press-releases/schakowsky-sanders-seek-to-phase-out-private-security-contractors/>.

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