

## The Role of Nationality in the Private Military and Security Labor Force

Katherine McCoy<sup>1</sup>

Patuxent Defense Forum

St. Mary's College of Maryland

April 9, 2008

*DRAFT: Please do not cite or circulate without the author's permission*

The central theme of this conference is the privatization of national defense. But along with privatization has come internationalization. That is, not only have we seen a shift in the defense workforce from the public sector to the private sector, we have also seen that labor force shift from a primarily domestic/national composition to a global/international composition. While this may seem unremarkable in the context of privatization and globalization, this *dual shift* does have an impact on the emerging world of private security and defense.

In recent U.S. history, as in much of the world, military labor has been both public and bounded by nationality or residency. Although there have always been non-citizens who served national defense—some at the highest levels—these workers were always “filtered” through both public institutions and some understanding of national belonging. Non-Americans who wanted to serve in the U.S. armed forces had to live in the U.S. and demonstrate some loyalty to the country. In the past and the present, military service was viewed as one way of turning people into Americans, both symbolically and legally. The incorporation of non-citizens into national defense projects therefore took on a “melting pot” quality familiar to the U.S. national experience overall.

This experience contrasts with what we are seeing today, in the internationalization of private military and security forces. Privatization entails a move away from the public, while internationalization entails a move away from nationality as a constraint on the labor force. In addressing the rise of private military and security companies (PMSCs), many analysts have remarked on the shift away from the nation-state's monopoly on the legitimate use of force, without distinguishing between these aspects (see e.g. Avant 2005; Singer 2003; Chesterman and Lehnardt 2007). By turning aspects of defense and security over to the private sector, the nation-state cedes—or at least loosens—its supposed monopoly over the use of force. This is an outcome of privatization. Yet, embedded in the idea of that monopoly is the nation-state itself, bounded by the common nationality of its people. In the Westphalian or Weberian ideal, it is the “nation” or citizenry of the nation-state who uphold that monopoly by fighting and dying for their country. Although not discussed as overtly or systematically, the loosening of this idea of the national soldier is ever present in discussions of privatization. The specter of mercenarism is based not only on the idea of the private soldier—the hired gun—but also on the *foreignness* of that hired gun—the fact that he is not part of the nation. Thus, while most discussions of PMCs center on the issue of privatization, they almost invariably allude to the internationalization of the industry as well. In this paper, I explicitly examine the internationalization of the PMSC industry as a lens for viewing the emerging privatization of defense and security.

---

<sup>1</sup> PhD Candidate, Department of Sociology, University of Wisconsin-Madison.

I argue that internationalization is analytically distinct from privatization, and should be examined for how it shapes the privatized military market. I also argue that under internationalization, the national origin of the military labor force does not become irrelevant. Rather, nationality assumes a different, yet central, role, with implications for both how the market is structured, and the political utility of the PMSC market for states.

### **Internationalization as Distinct From Privatization**

In today's globalized world, any form of privatization is assumed to entail internationalization as well. Once freed from the domestic, public sector, it is assumed that market forces will scour the globe for the cheapest labor source and the most efficient sources of raw materials. Yet the move from employing a public labor force to a private labor force is analytically separate from the move from a domestic to an international labor force. Granted, the former is a necessary condition for the latter, but the latter does not necessarily follow from the former. We can think of examples in which privatization did not lead to internationalization, or did so under very contested conditions. For instance, there is no indication that the privatization of prisons has dramatically changed the national composition of the prison labor force. On the U.S. political scene, we have learned that Americans seem to be more at ease with privatization than with internationalization in some realms, as was revealed in the outcry that accompanied revelations that a Dubai-based firm had been charged with port security in the U.S. (Yale Global: 2006). What seemed to scandalize people was not the fact that some aspects of port security had been outsourced (that had happened prior to this incident), but rather *who* it had been outsourced to: a foreign company based in the Middle East. At least in the U.S. context, then, there appear to be some arenas that Americans trust to the market, as long as the market shows that it will buy—and more importantly, hire—American.

On the other hand, there are also cases in which internationalization exists without privatization. In such cases, we see the incorporation of an international labor force into a public sector. This is the case with the integration of non-citizens into the U.S. armed forces, as mentioned above. Through the process of military service, non-U.S. nationals become part of the public workforce. Oftentimes this also leads to their symbolic (and/or official) incorporation into “the nation” as citizens. These policies have also been controversial, even in the absence of privatization. Indeed, some analysts draw a favorable distinction between internationalization within the public and private realm. Commenting on the current policy of incorporating non-Americans into the Armed Forces, Max Boot of the Council on Foreign Relations notes that:

“Other critics think it's repugnant to ask foreigners to face dangers that citizens won't. But there is always an element of unfairness in war. Unless you institute a truly universal draft (we've never done it), some will always be more at risk than others. Besides, the U.S. already makes ample use of mercenaries. We rely on tens of thousands of contractors in Iraq, Colombia and elsewhere, many of them not Americans. They would be a lot more useful if they were in uniform and subject to military orders so that we could avoid mix-ups like the one that just happened in Iraq, where Marines detained 19 employees of an American engineering firm for allegedly firing on them” (Boot: 2005).

Here, a multinational workforce that is channeled through a public institution is seen as more accountable than a similar workforce operating through the private sector.

Given these differences, I argue that it is important to draw an analytic distinction between the privatization and the internationalization of defense. I provide examples of this distinction in Table 1. In this paper, I focus on the bottom right quadrant: the intersection of internationalization and privatization. I use the internationalization of the PMSC labor force as a lens to better understand the structure of the industry, how it functions, and what questions this raises for states, workers, and human security.

**Table 1: Internationalization vs. Privatization**

	<b>Domestic Work Force</b>	<b>International Work Force</b>
<b>Public</b>	Traditional Military	Non-citizens in Armed Forces
<b>Private</b>	Private prisons	PMSC market

### **The Continuing and Changing Relevance of Nationality**

The fact that, under privatization, military labor is no longer as bounded by national identity, might lead some to conclude that nationality no longer matters when it comes to defense. We see hints of this conclusion from both detractors and advocates of defense privatization. Some critics of military privatization imply that an international military workforce is a chaotic morass of profiteers from throughout the world. Without the constraints of a domestic military labor force, the dogs of war from the far reaches of the globe are free to peddle their trade anywhere, at any time, with no accountability. This implies both that individual military contractors lack any sense of patriotism or national loyalty, and that the military market itself is blind to national differences. On the other hand, some industry advocates also promote the idea that the market is blind to national differences, yet present this in a positive light, as evidence of an integrated, professional, global workforce (see e.g. Glacielli 2007:17). Rather than being “color-blind”, the PMSC industry is seen as “national-origin blind”, reflecting its open-mindedness and willingness to provide employment opportunities to people from throughout the world. This is an approach taken by other globalized industries, such as manufacturing.

Against both of these depictions, I argue that the internationalization of private defense creates neither a harmonious global brotherhood of military contractors, nor a shapeless, unidentifiable mass of global worker bees. Nationality is not irrelevant in the global, privatized military market. Rather, it takes on a different function and meaning. In the public defense sector nationality is an exclusionary criteria, meaning that it determines eligible from ineligible workers: co-nationals are eligible, and, with rare exceptions, non-nationals are not. The exceptional cases of non-nationals being integrated into the military, such as the current U.S. policy mentioned above, are predicated on the worker essentially being “reborn” as a co-national. He or she renounces foreign allegiances, serves one country exclusively, and is often granted citizenship or at least legal residency.

In the privatized military market, nationality is no longer an exclusionary criteria. In theory, if not in practice, the market is open to workers of any and all nationalities.

Rather than being an exclusionary criteria, nationality becomes a *stratifying feature* of the market. Like gender, skill sets and work experience, nationality helps to place workers along a labor market hierarchy. I go into detail on what this hierarchy looks like below.

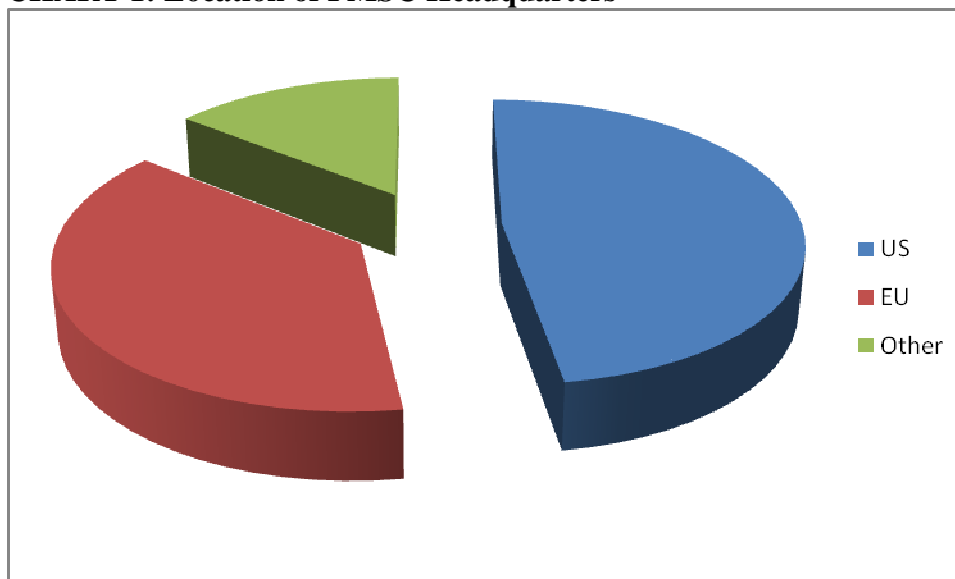
The continued salience of nationality as a stratifying feature of the military market is in turn based on the centrality of geopolitics in this industry. Although it officially operates in the private sector, the military industry necessarily remains enmeshed in international politics and the concerns of states. In this context, states make strategic use of the nationalities of their contracted laborers for political ends. Thus, nationality is relevant not only as an internal, stratifying feature of the private military market, but also as a policy tool for client states. The two are obviously interrelated, as the political utility of different nationalities shapes the hierarchy of labor within the industry.

### **The Global Reach of the PMSC Market**

The private military and security market is a multi-billion dollar industry with hundreds of thousands of employees worldwide. A large portion of this industry has ties to the U.S. and its operations in Iraq and elsewhere. As of 2006, the GAO reported that there were 181 security companies operating in Iraq alone (Solis Testimony 2006). Schumacher places the number of Pentagon contractors at 700,000, although it is not clear whether all of these work for PMSCs, or whether some are direct hires (2006:12). In Iraq alone, there are an estimated 180,000 contractors (Horton 2007).

This industry was born in countries with massive defense structures. The U.S., Britain, Israel, and South Africa are widely noted as strongholds of the PMSC industry. These countries have a surplus of highly skilled military labor. In addition, with the exception of South Africa, most of these governments are also large-scale clients of the PMSC industry, meaning that supply has generally risen in tandem with demand. The Peace Operations Institute reports that 47.6% of its members have headquarters in the U.S., 38.1% in the European Union, and 14.3% in “Other” countries, comprised of South Africa and Thailand (Messner and Glacielli 2007: 15).

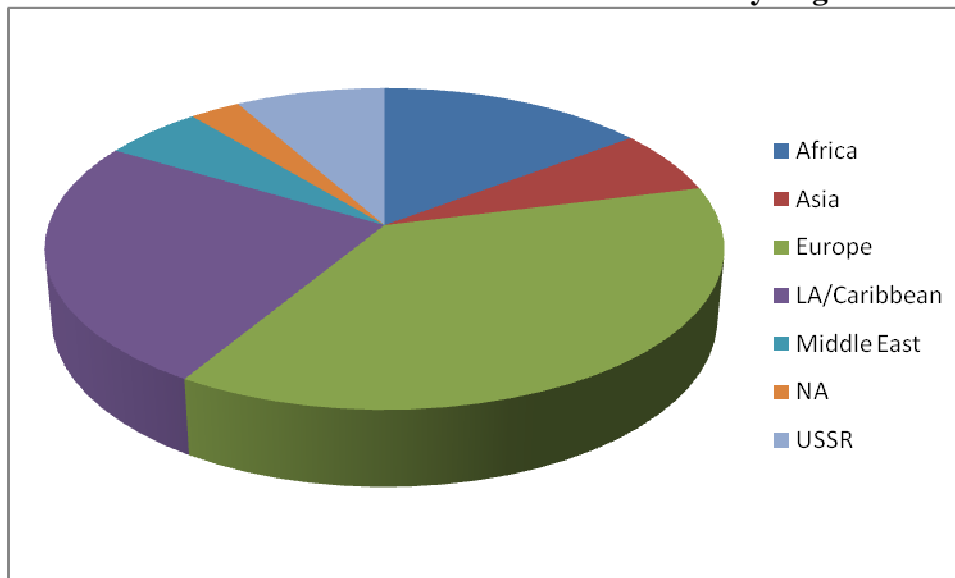
**CHART 1: Location of PMSC Headquarters**



(Source: Messner and Glacielli 2007)

Yet the industry has also expanded in recent years. Smaller, independent companies have cropped up in other areas, including Latin America and the Middle East. Often these companies serve as subcontractors for the major companies, but sometimes they also handle contracts directly. In addition, many of the industry leaders have created both domestic and offshore subsidiaries. Both subcontractors and subsidiaries are likely to spring up in or around sites of operation, such as the Middle East. Among companies that listed subsidiaries on their website, nearly 30% made explicit reference to an international subsidiary, as opposed to 22% listing domestic subsidiaries and 48% not including the location of their subsidiary corporation. Of 109 reported international subsidiaries, 37.6% are based in Europe, 24.8% are based in Latin America or the Caribbean, 14.7% in Africa, 8.2% in the former USSR, 6.4% in Asia, 5.5% in the Middle East, and 2.8% in North America outside of the continental US (i.e., Canada and Puerto Rico).

**CHART 2: Breakdown of International Subsidiaries By Region**



Predictably, the distribution of PMSC primes, subsidiaries, and subcontractors throughout the world helps produce the international labor force. In 2006, the DOD estimated that it employed contractors from 18 countries in Iraq alone (GAO letter to Shays 2006). The U.S. General Accountability Office notes that: “Providers may be U.S. or foreign companies and their staffs are likely to be drawn from various countries, including the United States, the United Kingdom, South Africa, Nepal, Sri Lanka, or Fiji, and may include Kurds and Arabs from Iraq,” although this list is not exhaustive (GAO June 2006: 5). Cha (2004) reports that a single U.S. firm, KBR, has employees from 38 countries in Iraq. Fifty-six percent of the 66 companies that I have reviewed advertise that they have a “global workforce” or “international workforce”. Fourteen different countries are specifically listed as recruiting sites, including such diverse places as Nepal, Peru, Bulgaria, and the Ukraine. However, many companies simply list a continent or region as opposed to a specific country.

## Nationality as a Stratifying Feature of the PMSC Market

National distinctions are built into the very structure of the PMSC market. The PMSC labor force draws from a variety of countries throughout the world. For each contract, the workforce is categorized based on an individual worker's nationality relative to the sponsoring country and the country in which he or she operates. "Ex-pats" are nationals of the sponsoring (or client) country. Examples would include American or British contractors working for their respective governments in Iraq. "Host country nationals", or HCNs, are nationals of the country in which a mission is taking place, such as Iraqi contractors in Iraq. "Third country nationals", or TCNs, are contractors who are neither from the country that is sponsoring the work, nor the country in which a campaign is being carried out. An example would be Filipinos working under contract for an American mission in Iraq.

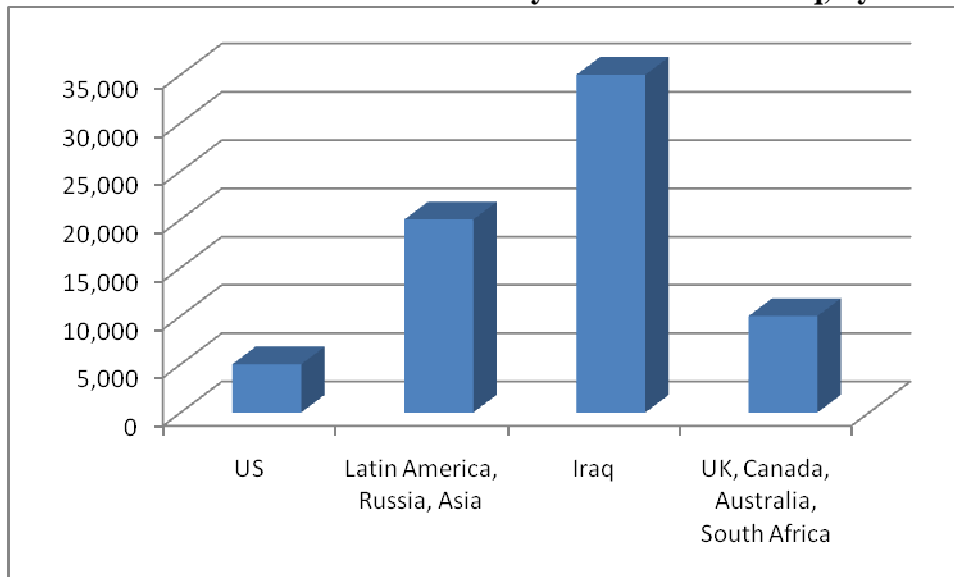
The distinction of who is considered a TCN is based entirely on the contractual relationship, rather than on the broader military context. For instance, in the Iraq campaign, some TCNs come from countries that are part of the "Coalition of the Willing" or MNF-1, while others come from countries with no official participation in the campaign. Filipinos who were contracted by the Philippine government would be considered "ex-pats", while Filipinos contracted by the American government would be considered TCNs. However, in practice almost all contracts in Iraq are initiated by the American government or other major participants in the MNF-1, making the Philippine government contracting scenario unlikely.

How does the labor force break down between these three groups? As with the PMC industry overall, data is sparse and exact estimates are unavailable. Doug Brooks of the International Peace Operations Association estimates that 120,000 of the 180,000 contractors in Iraq are Iraqi nationals, or HCNs (presentation at NYU's Center on Law and Security, April 3, 2008). The UN Working Group on the Use of Mercenaries estimates that there are approximately 70,000 *security* contractors in Iraq, of which 15,000-20,000 are estimated to be TCNs from Latin America, Asia, or Russia (Gomez del Prado 2008: 7).<sup>2</sup> In addition, the Working Group estimates that there are 7,000-10,000 security contractors from the UK, Canada, Australia, and South Africa. Some of these contractors are likely to be British or Australian "ex-pats", while others are TCNs of American contracts. This contrasts with an estimated 3,000-5,000 American security contractors, and 25,000-35,000 Iraqis, or host country nationals (Ibid).

---

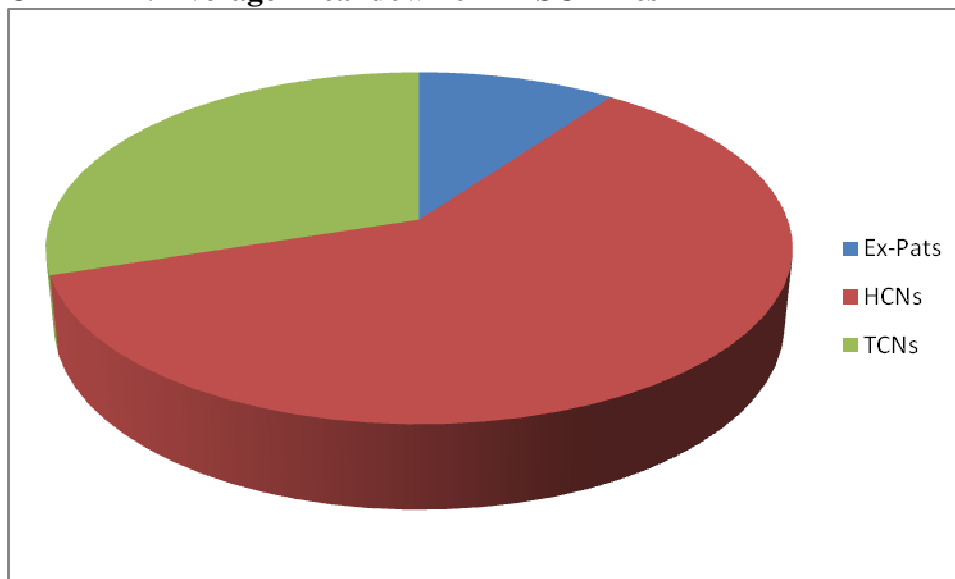
<sup>2</sup> The exact number of security contractors in Iraq is contested. In 2006, the GAO put the number at 48,000 (Solis 2006). More recently, Doug Brooks of the International Peace Operations Association placed the number at 6,000 (presentation at NYU's Center on Law and Security, April 3, 2008).

**Chart 3: Estimated Number of Security Contractors in Iraq, by Nationality**



(Source: Gomez del Prado 2008)

Looking beyond Iraq to the industry as a whole, the Peace Operations Institute 2007 Survey reports that 95% of respondent companies hire HCNs, with an average of nearly 60% of the workforce comprised of HCNs. The same survey reports that 74% of the respondent companies hire third country nationals (TCNs), although the percentage of the workforce comprised of TCNs ranges dramatically from 2% to 95%, with an average of nearly 30% of contractors being TCNs (Messner and Glacielli 2007: 46). Combining these results, we can estimate that only about 10% of the respondent workforce is composed of ex-pats. However, even these figures should be seen as more intriguing than representative of the industry at large, since they are based on a company response rate of only 6% (Ibid: 13). Some companies obviously make more use of TCNs than others. For instance, Pelton reports that Blackwater teams use a 10:1 ratio of TCNs to ex-pats (2006:4).

**CHART 4: Average Breakdown of PMSC Hires**

(Source: Messner and Glacielli 2007)

As might be expected, ex-pats occupy the top level of this stratified workforce. They are more likely to receive better work and higher pay. In the PMSC world, this means that ex-pats usually have claim to high-risk military work such as running Personal Security Details in Iraq. This work is both highly dangerous and highly remunerated, with reported wages of \$500-\$1000 or more per day. These salaries significantly exceed what ex-pats would earn as enlisted personnel in their own countries. A Congressional report estimates that the Blackwater's ex-pat security contractor makes six times what his uniformed counterpart earns (Committee on Oversight 2007).

Ex-pats are favored for this high-end work for a variety of reasons. First, as co-nationals of the sponsoring country, they are assumed to be more trustworthy and a lower security risk than foreign nationals. This is partially based on differences in accountability and information, and partially based on pre-existing and continuing notions of patriotism and loyalty. While governments generally have less information on security contractors than they do on their own uniformed personnel, they are in a better position to vet ex-pat contractors than HCNs or TCNs. This is because more complete criminal history data is available on ex-pats than on other foreign nationals (GAO Report June 2006). Another reason why ex-pats are favored for most high-end jobs is due to the perceived value of their training. Most of them were trained by the public forces (police and military) of their home country prior to joining the private sector. The value of this training is easily assessed by client countries, giving ex-pats a distinct advantage (except, of course, in cases in which a government knows that its own military training is subpar). This also means that workers from any country with a strong military enjoy labor market advantages, regardless of which state is hiring. This is in fact the case, with Americans, Brits, Israelis and South Africans enjoying elite status.

The nature of private military work means that there is almost always a guaranteed market niche for host country nationals, or HCNs. Host country nationals are a plentiful source of labor and one that is familiar with the local context. Because they do not demand the same expenditures in terms of transportation and housing, they end up

being cheaper to employ than ex-pats or, most likely, TCNs. Some missions are particularly geared towards the hiring of HCNs, such as jobs as translators or guides. Missions that require training local military or police forces are also apt to make widespread use of HCNs. Client governments might encourage the use of HCNs for diplomatic and strategic reasons, insofar as their employment helps to create pockets of loyalty to the success of the mission on the ground. Thus, HCNs are valued for their availability, their local knowledge, and their success to the mission overall.

At the same time, there are also political and market-based constraints on the use of HCNs. Because they are part of the local population, HCNs can be considered a security risk and are barred from certain types of work, such as guarding prisoners or even some positions that require access to client state bases and installations (Pincus 2007; Perolli 2006). According to preliminary PMSC industry figures, a smaller percentage of HCNs are authorized to carry weapons than either ex-pats or TCNs (Messner and Glacielli 2007: 47). This, too, is likely a reflection of security concerns.

HCNs might also be less favored due to their relatively more secure status as workers. For example, some pilots in Colombia claimed that they were discriminated against for PMSC work taking place in their country, while TCNs who were performing such work expressed surprise at the lack of Colombian pilots (Castillo 2001). The Colombians believed that, despite their previous experience and superior knowledge of the local terrain, they were passed over in favor of TCNs, due to the strength of the Colombian pilot's union. TCNs were not only not covered by the union, but appeared to fall outside of the jurisdiction of Colombian labor law, making them a more exploitable labor force. Furthermore, as nationals of the country in which a mission is taking place, HCNs are potentially the most accountable of all three groups to the legal system. This may be viewed by some employers as a drawback to using HCNs in an industry that currently encompasses both risky behavior and low political accountability.<sup>3</sup> Thus, while host-country nationals are virtually guaranteed some role in any missions that take place in their country, those roles will always remain secondary to those of ex-pats, and occasionally to those of TCNs. Overall, the role of HCNs is circumscribed by both strategic security concerns, and the exploitability and control of the workforce, as represented by HCNs' ability to demand labor rights, and their status of being subject to local legal institutions.

With some exceptions, TCNs generally occupy the lowest rung of the private military labor force. TCNs make approximately 1/10<sup>th</sup> of what ex-pats earn for similar work (Phinney 2005). Even these wages can be misleading, since many TCNs come to their job only after paying a "recruitment fee" that can be several thousand dollars (Perolli 2006; Phinney 2005). This has led to cases in which TCNs leave their one-year contracts in Iraq by just breaking even, or face the possibility of leaving in debt if they decide to quit before the contract period is over (Cha 2004).

Even the process by which TCNs arrive in a war zone is uncertain and sometimes questionable. For instance, some TCNs were apparently not told that they would be working in Iraq or in a conflict zone at all. Before departure, they were promised work in hotels or other standard civilian jobs in Kuwait. Once they arrived in Kuwait, however,

---

<sup>3</sup> When ex-pat or TCN contractors are involved in legally contentious situations, companies have been known to remove them from the country and send them back home, beyond the reach of the local legal system. This option is obviously not available with HCNs.

they were offered no other option but to follow their employers to Iraq (Cha 2004). Other TCNs report knowing that they would be working in Iraq, but finding the nature of their work changed upon arrival. Rather than working as static security guards in secure areas, they were instead expected to perform more active military functions (Gomez del Prado 2008). The hiring of TCNs also appears rife with other contract irregularities, including employers withholding contracts until the last minute before (or even during) deployment; contracts that differ significantly from the verbal understanding agreed to beforehand; and contracts that violate basic labor and other rights (personal interviews; Hauser 2006; Benavides 2006; Gamez 2007).

Once on the ground, TCNs have reported horrible working conditions, including long hours and inadequate food, water, and shelter (Cha 2004). Many employers appear to keep TCNs in a state of virtual enslavement or indentured servitude by, for instance, confiscating workers' documents so that they cannot leave the area. This practice was so pervasive that in 2006 the U.S. government issued a memorandum to all its contractors and subcontractors, demanding an end to passport confiscation, among other forms of exploitation and abuse (Joint Contracting Command 2006). This memorandum came on the heels of international pressure from countries such as India, Nepal, Pakistan and the Philippines, which complained bitterly of the ill-treatment of their citizens under contract in Iraq (Cha 2004; Phinney 2005). Nonetheless, journalistic accounts maintain that such exhortations have had little practical effect on improving working conditions. David Phinney reports that in a few extreme cases, TCNs have attempted to flee *across wartorn Iraq* in order to escape abusive employers (Phinney 2007).

Employers are not the only source of danger for TCNs. While anyone operating in a war zone is at risk of enemy attack, contractors are particularly vulnerable. This generalized vulnerability is heightened for TCNs. TCNs are more likely to be housed in insecure settings off base, making them easier targets for insurgents. South Korean security contractors have complained that they did not receive the flak jackets that their American ex-pat counterparts used, and Indian contractors complained that they were not adequately hidden from insurgents during transport, the way that American ex-pats are (Cha 2004). These security concerns have led both the Nepalese and Indian governments to prohibit their citizens from working in Iraq, although thousands reportedly still do (Perolli 2006).

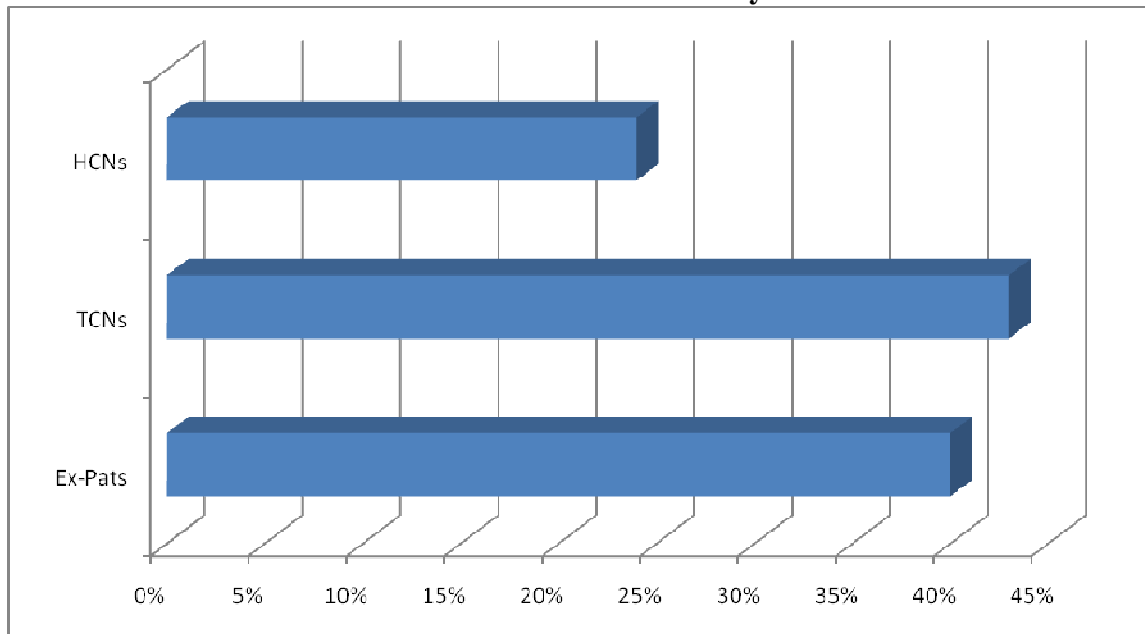
Thus far I have spoken about TCNs as a whole. Yet it is worth pointing out that TCNs perform both security work and non-security work. Their functions range from the most mundane aspects of daily living—such as catering and laundry—to military and security operations including securing strategic locations, protecting convoys and government personnel, and flying in high-risk missions. It appears that the majority of TCNs are concentrated in the former “tail” functions of base maintenance and reconstruction. Government and media accounts often refer to TCNs as making up the bulk of caterers, laundry workers, and construction workers in Iraq. For example, KBR, which is the U.S. government's largest contractor in Iraq, reports that 35,000 of its 48,000 contractors in Iraq are TCNs (Perolli 2006). Most of these workers are likely involved in more mundane aspects of reconstruction. Press reports and anecdotal accounts suggest that this sector is dominated by South Asians—specifically Indians, Sri Lankans, Filipinos and Nepalese. According to IPOA, the industry trade association, “TCNs are employed in diverse roles, as truck drivers, cooks, carpenters, construction

workers, warehousemen, and laundry workers. TCNs come mainly from Asian countries including the Philippines, India, Pakistan, Sri Lanka, Nepal, and Pakistan. Contractors in Iraq outsource their work to subcontractors based in Middle Eastern nations” (Ibid). IPOA itself places the number of Nepalese contractors at 5,000 (Ibid), and press accounts indicate that there are several thousand Indians. These workers occupy the lowest rung on the contracting ladder, and are removed from the U.S. government through several layers of subcontracting. Contracts are initially awarded to a major U.S.-based PMC, called the “prime contractor” or simply “prime”. From there, the prime might pass the contract along to a U.S.-based subsidiary or an international affiliate. The contract is then subcontracted to a non-U.S. company, with perhaps one more subcontractor involved at a local level. Describing the contract chains that lead to hiring Asian TCNs for the type of work described here, Phinney (2005) suggests that the primes are usually major American companies, the “first tier” subcontractors tend to be based in the Middle East, and the “second tier” subcontractors are based in the recruiting country, such as India or the Philippines. A Washington Post article provides the complete contract chain for a group of typical Indian TCNs:

“Subhash Vijay had hired them to work for Gulf Catering Co. of Riyadh, Saudi Arabia, which was subcontracted to Alargan Group of Kuwait City, which was subcontracted to the Event Source of Salt Lake City, which in turn was subcontracted to KBR of Houston.” (Cha 2004)

In such cases, TCNs are hired primarily because they are an abundant source of cheap labor. No particular military skills or contacts are required; the main requirement is the ability to work long hours at low pay.

The second group mentioned above—those who are involved in more “tooth” end operations—are often referred to more specifically as “security contractors” or “military contractors”. A 2007 IPOA survey reveals that 43% of TCNs are authorized to carry arms, as opposed to 40% of expats and only 24% of HCNs (Messner and Glacielli 2007: 47). While the authors of the study point out that some contractors may be authorized to carry weapons for purely self-defense purposes, this figure does indicate that TCNs are involved in security work.

**CHART 5: Percent of Contractors Authorized to Carry Firearms**

(Source: Messner and Glacielli 2007)

In these situations, TCNs continue to be hired through various levels of subcontracting. However, the different nature of the work means that contract chains run through countries in which there is an abundant supply of military-specific labor, which is often different from the countries that supply the laundry, catering, and construction labor. For instance, the most highly valued TCNs involved in security are South Africans or Israelis, who are known for their military capacity. Many Latin Americans—particularly Chileans, Hondurans, and Colombians—have also been recruited into the ranks of this industry (Gomez del Prado 2008). Recent press reports have highlighted the long lines of Ugandans seeking military and security work in Iraq as well. In these cases, military experience and military contacts do matter. Scahill (2007) describes how the combination of interpersonal ties within the military and years of military-to-military contact between the U.S. and Chile made it possible for Blackwater USA to hire its first Chileans. Anna Gilmour, editor of *Jane's Country Risk*, explains the appeal of Chilean, Colombian, and other Latino TCNs as due to the combination of their counterinsurgency experience, and their long-standing ties to the U.S. military (Hauser 2006). My interviews with Colombian military analysts echoed this conclusion. A Colombian subcontractor who sent security contractors to Iraq explained that he secured the contract in part through his prior career connections with Army Rangers, which resulted from his brief military training in the U.S.

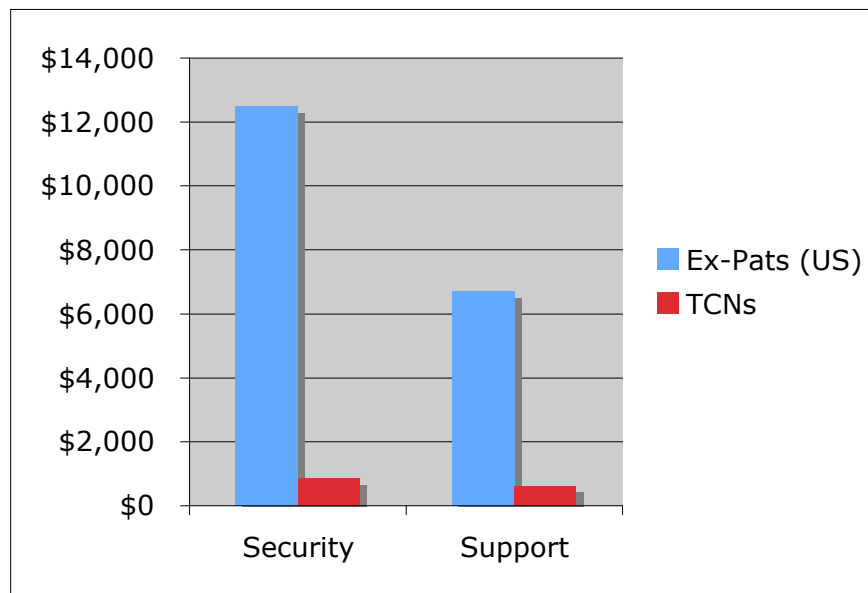
#### *Core and Peripheral Laborers*

What we see are distinct geographic and political patterns to the privatization of security and defense. Building on Wallerstein's (1979) ideas of a core and a periphery in world trade patterns, here we also see a core and a periphery in terms of which countries provide military labor. At the top end of the market (i.e., "the core"), we find both the more highly skilled, highly paid contractors. These tend to be "ex-pats" from the

countries that are hiring PMCs. They are privileged by their citizenship status, their credentials (which are likely to include a stint in their country's armed forces), and their social and professional networks, which bring them into closer contact with those making hiring decisions high up on the chain. "Core" contractors may also include TCNs from other economically and militarily powerful nations, such as Britain or Israel, whose expertise is recognized by the contracting nation. These "core" laborers earn the highest wages and are less likely to report irregularities with their contracts. The fact that they are hired relatively high up on the contracting chain means that there are fewer levels of subcontractors to skim wages off the top or pass the buck when it comes to labor complaints. When labor irregularities do occur, such "core" laborers are in a relatively powerful position to contest them. This is due in part to their relatively higher social capital (i.e., the fact that they are likely to have contacts who can advocate for them either within the prime contractor or in the government). However, it is also simply due to the fact that more legal and bureaucratic channels exist to process the complaints of such "core" employees, and that they have easier access to those channels. For example, the U.S. Department of Labor handles insurance claims for contractors hired to work for the U.S. government, but accessing such benefits becomes much more difficult for foreigners living abroad, especially when they are subcontractors and don't speak English (McDonnell 2008). "Core" or ex-pat contractors are at a distinct advantage over TCNs and HCNs in such cases.

Peripheral workers have few of the advantages of core workers. They are sought after as low-skill, low-wage laborers. While nationality is not irrelevant in this case, the peripheral TCN cannot use his (or her) nationality to his advantage in the market, except to say that it implies his willingness to work for less, making him an attractive worker. Since much of the work that TCNs perform is considered relatively unskilled (such as truck driving, laundry services, and catering), credentials are largely irrelevant. Social capital and the general idea of "who you know" might be pivotal for an Asian or Middle Eastern subcontracting company to secure a contract, but it does not seem to come into play at the level of hiring individual contractors. At this level, recruitment is generalized, with long lines reported outside many recruiting stations. These "peripheral" laborers occupy the lowest rung of the military contracting labor market.

Some TCNs have marginally higher status, and might be labeled "semi-peripheral labor." The security contractors mentioned above are good candidates for this category. They operate at a lower rung than ex-pats, yet are still seen as skilled labor. They are sought after for their military experience and ability, which is perceived to be correlated with national identity as well as individual credentials. Recruitment here is more selective than with other TCNs, and social capital may matter more. Nonetheless, even here there is clear precariousness in the labor market, with downward pressure on wages and widespread claims of contract irregularities. For instance, Colombian security guards returning from Baghdad reported that they were the latest in several national cohorts hired to protect a U.S. base in Baghdad, with each paid progressively less than the previous group (Semana 2006). Thus, while security contractors from places such as the Ukraine, Colombia, or Fiji are not as expendable as the Indian truck driver or Filipino cook, they are easily substitutable in a global market.

**CHART 6: Estimated Monthly Earnings for TCN and Ex-pat Contractors<sup>4</sup>**

Peripheral—and semi-peripheral—laborers in this context find themselves in the same conditions as migrant workers across the globe. They are abundant (and therefore easily replaceable), far from home, and generally without recourse to local venues of justice and restitution. In places such as Iraq, the local justice system is not adequate for handling labor disputes, and would be unlikely to cover military contractors even if it could. Contractors looking for redress must look to the companies that hired them, and air their grievances in the countries in which those companies are based. This has notably different consequences for “core” and “peripheral” contractors. While both types of contractors are engaged in work in a foreign country, only the latter faces the challenges and obstacles typical of migrant workers. Despite the fact that they are working in another country, ex-pats coming from the core have not stepped entirely outside of their country’s legal system. They can still appeal to some aspects of the U.S. legal system, or to arbitration, to handle their grievances. TCNs, on the other hand, operate in more of a legal no-man’s-land, without recourse to their national legal system, the legal system of the country in which they are working, and with only limited access to the system of their employers. As with migrant labor in other arenas, occasionally grievances by TCNs have spurred their home governments to lodge official complaints

<sup>4</sup> Various sources were used to calculate earnings. For the service sector, I used Phinney’s (2005) estimate of \$80,000 per year for American ex-pat truckers, vs. \$7,380 for Filipinos performing the same work. For security work, I used Dyncorp Senior Counsel James Bond’s estimate of \$150,000 per year for ex-pats (as presented at NYU’s Center on Law and Security Conference, April 3, 2008), and contrasted it with the \$35/day paid to Colombian and Peruvian contractors, using a six-day week to calculate monthly salaries.

against the sponsoring government.<sup>5</sup> However, such cases are more the exception than the norm, with governments generally staying out of what they consider labor disputes.

Thus, nationality continues to be a salient feature in arranging the world of military labor. As seen above, nationality plays a key role in assigning private military and security contractors to different levels of the market's hierarchy. These stratifying differences largely mirror international labor market differences in other sectors, in that they reflect and perpetuate things like wage differentials by country. However, nationality also operates as a more deliberate political tool that states and other clients can call upon in the midst of military and security operations.

### **Nationality as a Political Feature of the PMSC Market**

In many ways, privatization has placed economic concerns at the center of the PMSC market. As we have seen, in this industry as in any global industry, wage differentials help structure the market. However, due to its unique work, the PMSC market is never too far removed from politics, and political calculations as well as economic ones can have a meaningful impact on who is employed and in what capacity. In this section, I discuss two ways in which nationality is directly manipulated for political ends: evasion of Congressional personnel caps and the selective use of TCNs for certain high-risk tasks. I then look at how the internationalization of the PMSC market overall works to change the political calculus of conflict, and how sponsoring (or client) states help perpetuate this process.

Many commentators have remarked on the fact that contractors allow missions to expand beyond official troop limits or commitments. For example, Congress often enacts troop caps to curtail a mission, yet such troop caps do not apply to private contractors (Cockayne 2008). In some cases, Congress has explicitly enacted caps for *both* U.S. troops and contractors. In such cases, however, contractor caps apply only to ex-pats, and not to TCNs or HCNs. In cases such as the U.S. mission in Colombia, TCNs have been used to comply with the letter of the law, while maintaining the ability to exceed the Congressional caps. Schumacher remarks that contractors' "services provide the United States with the ability to publicly distance itself from an otherwise unsupportable commitment of U.S. forces" (2006:14). In the case of TCNs, we might extend this to say that contractors provide the ability to distance the government from an unsupportable commitment of U.S. *citizens*.

TCNs are not only used to make up for the numbers denied under Congressional restrictions. They are also used more selectively to minimize the outcry at home over contractor casualties. Overall, contractor casualties tend to have less of a political impact than troop casualties. Schumacher chalks this up to the nature of the business.

"When pilots, crew chiefs, or maintenance personnel are never heard from again, the famously less-than-candid contracting firms don't exactly hand deliver telegrams to the victims' relatives. Individual contractors understand the dangers and have no expectations for flags to fly at half mast for the ultimate sacrifice" (2006: 18).

---

<sup>5</sup> This issue has been raised by the governments of India (Rohde 2004), the Philippines (Cha 2006; Phinney 2005), Nepal (Cha 2006), and Pakistan (Ibid), which has conducted its own internal investigation of the treatment of TCNs under contract to the U.S. government.

However, recent history has shown that even with this understanding, deaths or disappearances of American contractors do make political waves. As Manker and Williams point out, “Regardless of where the responsibility is placed contractually, [when American contractors are involved,] the media reports it as a US casualty, a US captive, or a US wounded without respect to who is at fault” (2004: 7). Indeed, the 2003 capture of three American contractors by FARC guerrillas in Colombia has led to ongoing Congressional inquiries about their safe return. The U.S. Embassy in Colombia keeps a prominent reminder of them on its homepage, and officially recognizes each anniversary of their captivity. Their safe return has become a political issue in U.S.-Colombian relations (deGraffenried 2008). These cases contrast notably with the political response by the U.S. in cases of the capture or killing of TCN contractors. For instance, there was no notable political response in the U.S. when 12 Nepalese contractors were captured by insurgents and beheaded in Iraq, even though they were working in conjunction with the U.S. mission. In these cases, the dead or wounded had no political or legal claim on the U.S. They did not have relatives “back home” in the U.S. who could pressure their members of Congress, nor did they have a military family in the U.S. that would recognize their sacrifice. Thus, political invisibility is caused not only by being a non-citizen (internationalization), or by being a non-soldier (privatization), but rather by the combination of the two.

One way of avoiding the potential political fallout of using U.S. contractors is to selectively employ TCNs for certain high-risk or high-visibility roles. Rather than being hired in national clusters and working directly with and for subcontractors, TCNs in these cases are hired on a more ad hoc basis and incorporated directly into teams of ex-pats and HCNs. I call these “embedded” or “integrated” TCNs, due to their integration into other contractor teams, rather than “segregated” TCNs. In embedded cases, TCNs are specifically selected to carry out skilled tasks that may be too politically or legally sensitive for ex-pats or HCNs to perform. This seems to be the case in Colombia, where TCNs are used as pilots and gunners on missions that also involve ex-pats and HCNs (personal interview). Such cases allow the client—in this case, the US government—to state that *Americans* are not involved in offensive or high-risk operations in Colombia. This creates an added cushion of political and legal distance between the client and the outcome of a mission.<sup>6</sup>

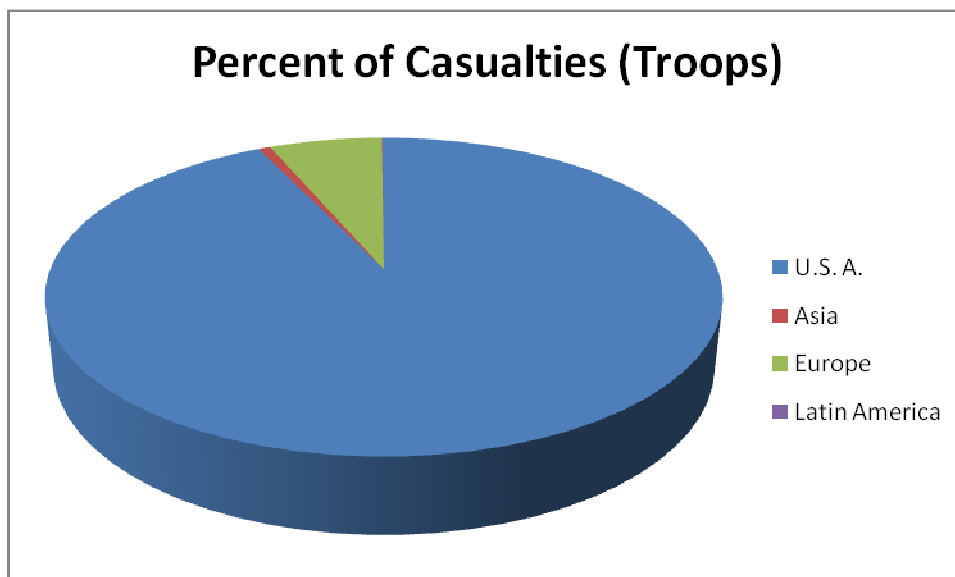
Even in cases in which nationality is not as carefully chosen for political ends, it still has significant political effects. The internationalization that has accompanied the privatization of national defense has also opened the door on who can be directly involved in, and affected by, US (or other) military campaigns. People from around the globe may now be involved in U.S. missions, including the death tolls of those missions. This is not a mere hypothetical possibility; internationalization has been a mandate for U.S. operations in Iraq (Weiner 2007). This produces a different geopolitical impact overall than when military operations are bounded by nationality. For instance, if we examine the breakdown of coalition force deaths by nationality, we see that over 92% of the deaths are of American soldiers, with only 6.4% coming from Europe and the

---

<sup>6</sup> A similar pattern seems to appear in contractors’ memoirs. Col. Gerald Schumacher (2006) also mentions the use of Iraqi HCNs as gunners in U.S. missions in that country, but gives no explanation for why that should be the case.

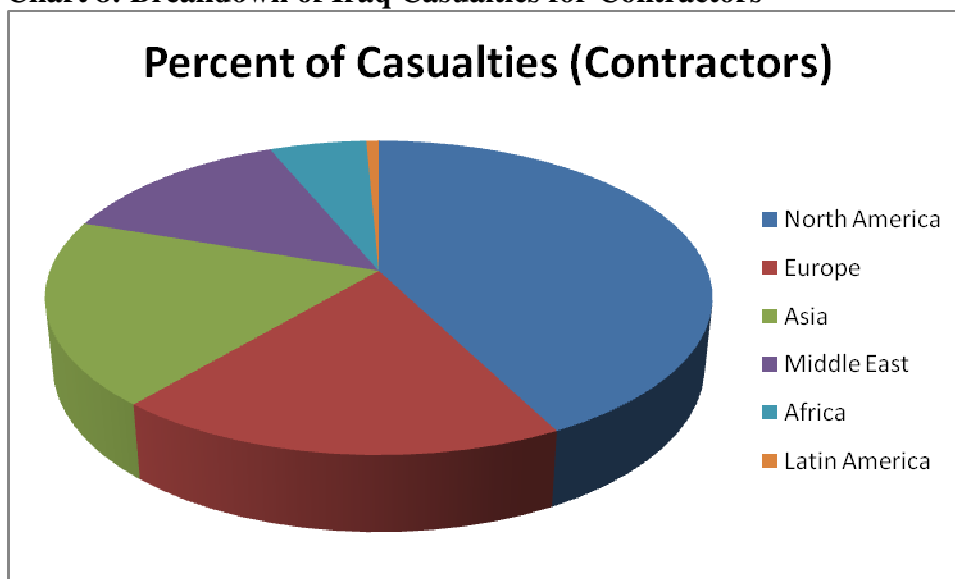
remaining fraction of a percent divided between Asia and Latin America. By contrast, if we examine the breakdown of contracted forced by nationality, a dramatically different picture emerges: only 41% of the deaths are American (42% from the North American continent), while 18.6% are from Asia, 18.9% from Europe, 13.3% from the Middle East, 5.5% from Africa, and the remaining 0.7% from Latin America. Thus, internationalization helps to further dilute the political imprint of a military campaign within the host country, by outsourcing part of the sacrifice of war not only to the private sector, but to foreigners. This reduces the perceived costs of war within the sponsoring country, and potentially allows the campaign or conflict a longer political lifespan.

**Chart 7: Breakdown of Iraq Casualties for Uniformed Personnel**



(Source: *icasualties.org*)

**Chart 8: Breakdown of Iraq Casualties for Contractors**



(Source: *icasualties.org*)

## Conclusion

In debates over military and security privatization, much has been made of what I call the changing logic of sacrifice in war. With the move from public to private operations comes the question of the role of patriotism, nationalism, and loyalty. Scholars, soldiers and civilians all ask whether private contractors are motivated by a fundamentally different logic than soldiers. And what does it mean for individual campaigns and the long-term contours of war and conflict if, in fact, they are? While questions over the changing logic of sacrifice are clearly important, they have tended to overshadow some other basic changes that have accompanied privatization. As I have shown here, the privatization—and subsequent internationalization—of the military labor force has also produced a changing *geography* of sacrifice in war. Regardless of why people choose to fight, those who are doing the fighting have themselves changed. As mentioned above, this changing demography has political implications on how the costs of war are calculated within the sponsoring nation. For instance, of the contractor casualties mentioned above, over one third (35%) came from countries that had never been part of the Coalition (MNF-1) in Iraq, and an additional 6% came from countries that were former members of the Coalition. Additionally, Coalition countries took much more of a hit in the private realm (i.e., using contractors vs. troops), than they did with their soldiers. For the sponsoring or client nation, then, the costs of war are therefore more diluted and widespread than they are in the public realm. In this way, internationalization furthers one of the primary effects of privatization, which is to create political distance between the state policy and the actors carrying out that policy.

The internationalization of the PMSC industry remains a large and understudied topic. Here I have only attempted to sketch out the basics of this phenomenon, and to present some analytic points. Clearly more work remains to be done to fully understand what is essentially a military migrant labor force. One area that merits further exploration concerns the security issues posed by this development. Is there any inherent risk in creating a highly mobile, largely unregulated, and often exploited set of workers valued for their lethal use of force? This may be overstating the case, and yet the possibility that internationalization might pose security concerns beyond the confines of any single campaign or conflict, should be explored. Moreover, what are the effects of this type of military labor force on the home countries of the workers, or what James Cockayne (2008) calls the “upstream effects”? Does this type of work produce the same level of remittances that other forms of migrant labor do? Does the use of military and security workers on the international market pose a threat to recruiting states, after a campaign is over and these “vets” return home? Or does the existence of such an international market help to stabilize recruiting countries by removing potentially problematic, under-employed people from the national scene, where they might otherwise become involved in criminal activity? Future research on internationalization can draw fruitfully from literatures on security, post-conflict stabilization, reconciliation, the reintegration of armed actors, and international labor migration, among others. It is only by looking at such seemingly disparate areas that we may come to a better understanding

of how the international private military market is shaping our societies, our security, and our world.

## References

Aguirre Ernst, Mariano. "Mercenarios: soldados premodernos" in *La Vanguardia* (Spain), October 9 2007. Available online at: <http://www.fride.org/publicacion/272/mercenarios-soldados-premodernos>.

"Atrapados en Bagdad" *Semana*, 21-28 August 2006. Edition No. 1/268. P. 32-39.

Avant, Deborah. *Market for Force: The Consequences of Privatizing Security*. Cambridge: Cambridge University Press, 2005.

Benavides, Amada. "Statement by Ms Amada Benavides, Chairperson of the Working Group on the Use of Mercenaries as a Means of Violating Human Rights and Impeding the Exercise of the Right of Peoples to Self-Determination." 2<sup>nd</sup> Session of the Human Rights Council. Geneva, 25 September 2006.

Boot, Max. "Defend America, Become American." *Los Angeles Times*, June 16, 2005.

Castillo, Fabio. "Fui mercenario en Colombia" *El Espectador (Bogota, Colombia)*, July 19, 2001.

Cha, Ariana Eunjung. "Underclass of Workers Created in Iraq" in *Washington Post*, July 1, 2004. Page A01. Available online at: [www.washingtonpost.com](http://www.washingtonpost.com).

Chesterman, Simon and Chia Lehnardt, (Eds). *From Mercenaries to Markets*. New York: Oxford University Press, 2007.

Cockayne, James. "Taming the Dogs of War: The Strategic Logic of the Professionalization of Private Military and Security Companies." Paper presented at the "Privatization of Security and Human Rights in the Americas" conference, University of Wisconsin-Madison, February 2, 2008.

Committee on Oversight and Government Reform, Memorandum from October 1, 2007. "Additional Information about Blackwater USA."

Defense Logistics Agency. *Contractor Support in the Theater of Operations: Deskbook Supplement*. March 28, 2001. Available online at: [www.dscpl.dla.mil/contract/doc/contractor.doc](http://www.dscpl.dla.mil/contract/doc/contractor.doc)

deGraffenried, James T. "American Defense Contractors Mark Five Years as Hostages". *SERVIAM* January/February 2008 Issue. Available online at [http://www.serviammagazine.com/mag/JanFeb2008/0208\\_Last\\_Word.htm](http://www.serviammagazine.com/mag/JanFeb2008/0208_Last_Word.htm).

Gamez, Pablo. "Mercenarios a granel". *Radio Nederland*. 13 February 2007. Available at [http://www.informarn.nl/informes/iraq/act070213\\_mercenarios](http://www.informarn.nl/informes/iraq/act070213_mercenarios)

Glacielli, Ylana. "Latin America and Third Country Nationals in PSOs" *Journal of International Peace Operations*, Vol. 2, No.6. May 1, 2007, p. 17.

Gomez del Prado, Jose Luis. "Private Military and Security Companies and Challenges Posed to the United Nations Working Group on the Use of Mercenaries." Paper presented at the "Privatization of Security and Human Rights in the Americas" conference, University of Wisconsin-Madison, January 31, 2008.

GAO letter to Congressman Christopher Shays. "Subject: *Military Operations: Background Screenings of Contractor Employees Supporting Deployed Forces May Lack Critical Information, but U.S. Forces Take Steps to Mitigate the Risk Contractors May Pose.*" GAO-06-999R Military Operations . September 22, 2006.

GAO Report Number GAO-06-865T. *Rebuilding Iraq: Actions Still Needed to Improve the Use of Private Security Providers*. June 13, 2006.

Hauser, Karim. "Mercenarios latinos en Irak." *BBC Mundo.Com*. 23 August 2006. Available at [http://news.bbc.co.uk/1/hi/spanish/international/newsid\\_5279000/5279144.stm](http://news.bbc.co.uk/1/hi/spanish/international/newsid_5279000/5279144.stm)

Horton, Scott. "As Contractors Exceed Troops in Iraq, The Dawn of a New Military Culture", in *Harpers Magazine*, July 18, 2007. Available online at <http://harpers.org/archive/2007/07/hbc-90000559>.

Joint Contracting Command—Iraq/Afghanistan, Memorandum for all Contractors, 19 April 2006.

Manker, James E. and Kent D. Williams. "Contractors in Contingency Operations: Panacea or Pain?" *Air Force Journal of Logistics*, Fall 2004, pp.1-13.

McDonnell, Patrick J. "Iraq Contractors Tap Latin America's Needy", *Los Angeles Times*, January 28, 2008. Available at <http://www.latimes.com/la-fg-latiniraq28jan28,0,2423411.story>

Messner, J.J. and Ylana Glacielli. *State of the Peace and Stability Operations Industry: Second Annual Survey, 2007*. Peace Operations Institute, 2007. Available

online at:

[http://peaceops.org/poi/index.php?option=com\\_content&task=view&id=13&Itemid=27](http://peaceops.org/poi/index.php?option=com_content&task=view&id=13&Itemid=27).

Meyer, Cordula. "U.S. Army Lures Foreigners with Promise of Citizenship." Originally published in German in *Spiegel*. English translation posted on Information Clearing House, October 22, 2007. Available online at: <http://www.informationclearinghouse.info/article18603.htm>.

Pelton, Robert Young. *Licensed to Kill: Hired Guns in the War on Terror*. New York: Three Rivers Press, 2006.

Perolli, Bujana. "Role of Third Country Nationals in Iraq Queried" *Journal of International Peace Operations*, Vol. 2, No. 2, Sept/Oct 2006: 17.

Phinney, David. "Blood, Sweat and Tears: Asia's Poor Build U.S. Bases in Iraq", *CorpWatch*, October 3, 2005. Available online at: <http://www.corpwatch.org/article.php?id=12675>

\_\_\_\_\_. "U.S. Firms in Iraq Still Using Indentured Workers Despite Crackdown", *Alternet*, July 25 2007. Available at: <http://www.alternet.org/story/57974/>

Pincus, Walter. "U.S. Expects Iraq Prison Growth," *Washington Post*, March 14, 2007.

Scahill, Jeremy. *Blackwater: The Rise of the World's Most Powerful Mercenary Army*. NY: Nation Books, 2007.

Singer, P.W. *Corporate Warriors: The Rise of the Privatized Military Industry*. Ithaca: Cornell University Press, 2003.

Schumacher, Col. Gerald. *A Bloody Business: America's War Zone Contractors and the Occupation of Iraq*. St. Paul: Zenith Press, 2006.

Solis, William. "REBUILDING IRAQ: Actions Still Needed to Improve the Use of Private Security Providers." United States Government Accountability Office . Testimony Before the Subcommittee on National Security, Emerging Threats, and International Relations, Committee on Government Reform. June 13, 2006.

Thompson, Mark . "The Fast Track" *Time Magazine*, July 31, 2006. Available at [www.time.com](http://www.time.com)

Wallerstein, Immanuel. *The Capitalist World-Economy: Essays*. Cambridge: New York, 1979.

Weiner, Tim. "A Security Contractor Defends his Team, Which, He Says, Is Not a Private Army" in *New York Times Online*, April 29, 2007. Available at [www.nytimes.com](http://www.nytimes.com)

Yale Global Online. "American Ports in a Storm", 23 February 2006. Available online at <http://yaleglobal.yale.edu/display.article?id=7029>.