THE USE OF PRIVATE SECURITY BY THE UNITED KINGDOM AND THE SUBSEQUENT IMPACTS ON OPERATIONAL PLANNING

A Monograph

by

MAJ Ryan J. Scott
United States Army

School of Advanced Military Studies
United States Army Command and General Staff College
Fort Leavenworth, Kansas

2014-01

Approved for public release; distribution is unlimited.
The use of private security by the United Kingdom and the subsequent impacts on operational planning

Prior to the War in Iraq, the British government had demonstrated a reliance on private military security in order to meet the demands of global conflict. During the British contribution to the War in Iraq, Operation TELIC, the government of the United Kingdom government experienced a demand for military services that exceeded what was available in their professional military force. The number of British Soldiers decreased, while the demand for military capabilities remained. The British government was unable to supply professional military soldiers throughout the duration of war. This increased the demand for Private Security Companies by the United Kingdom.

Spending on private military security by the British government steadily increased from 2003 to 2011. This research seeks to understand why the lack of sufficient national military force and increased involvement in the Iraq War resulted in an increased demand on the private security industry. This study attempts to do more than just analyze British policy. It also attempts to provide an alternative to the United States perspective on military budgeting, structure, or civil-military relations. Operational planners must incorporate an understanding of private security. This study can help determine if the growth in private military companies is in fact a dilemma.
The opinions and conclusions expressed herein are those of the student author and do not necessarily represent the views of the U.S. Army Command and General Staff College or any other governmental agency. (References to this study should include the foregoing statement.)
ABSTRACT


Prior to the War in Iraq, the British government had demonstrated a reliance on private military security in order to meet the demands of global conflict. During the British contribution to the War in Iraq, Operation TELIC, the government of the United Kingdom government experienced a demand for military services that exceeded what was available in their professional military force. The number of British Soldiers decreased, while the demand for military capabilities remained. The British government was unable to supply professional military soldiers throughout the duration of war. This increased the demand for Private Security Companies by the United Kingdom.

Spending on private military security by the British government steadily increased from 2003 to 2011. This research seeks to understand why the lack of sufficient national military force and increased involvement in the Iraq War resulted in an increased demand on the private security industry. This study attempts to do more than just analyze British policy. It also attempts to provide an alternative to the United States perspective on military budgeting, structure, or civil-military relations. Operational planners must incorporate an understanding of private security. This study can help determine if the growth in private military companies is in fact a dilemma.
ACKNOWLEDGMENTS

This year has been quite humbling, and I would like to thank few key people who helped me throughout this experience.

Trish I love you “so much-ee.” Thank you for being my best friend, companion, and editor. This is just the beginning of a new chapter for us and I am so grateful to have experienced it all with you. Charlotte, Daddy knows he spent a lot of time in his dungeon. However, hearing your footsteps running down the stairs to talk to me helped me remember what was most important. I love you.

I would like to thank my seminar group. I realized early that we had an amazing team. Even at our worst, we were learning, communicating, and growing together. I would like to give a resounding thank you to COL Christopher Drew for continuing to remind me what it means to be an officer. You provided the continuous wisdom our profession needs while helping me understand what it means to think.

Lastly, I would like to thank the School of Advanced Military Studies faculty members I had the opportunity to know and the honor to learn from this year. If I can only remember a fraction of the wisdom you have shared, I know I will positively contribute to our profession. To Dr. Bruce Stanley (Yoda), thank you for creating the road map for this and the journey to come.
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>TABLE OF CONTENTS</td>
<td>1</td>
</tr>
<tr>
<td>ACRONYMS</td>
<td>vi</td>
</tr>
<tr>
<td>ILLUSTRATIONS</td>
<td>vii</td>
</tr>
<tr>
<td>TABLES</td>
<td>viii</td>
</tr>
<tr>
<td>INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td>LITERATURE REVIEW</td>
<td>7</td>
</tr>
<tr>
<td>METHODOLOGY</td>
<td>19</td>
</tr>
<tr>
<td>CASE STUDY</td>
<td>23</td>
</tr>
<tr>
<td>ANALYSIS</td>
<td>44</td>
</tr>
<tr>
<td>CONCLUSION</td>
<td>48</td>
</tr>
<tr>
<td>BIBLIOGRAPHY</td>
<td>52</td>
</tr>
<tr>
<td>ACRONYMS</td>
<td>Description</td>
</tr>
<tr>
<td>-------------------</td>
<td>--------------------------------------------</td>
</tr>
<tr>
<td>CONDO</td>
<td>Contractors on Deployment Operations</td>
</tr>
<tr>
<td>DEFCON</td>
<td>Defence Contract Condition</td>
</tr>
<tr>
<td>DOD</td>
<td>Department of Defense</td>
</tr>
<tr>
<td>FOB</td>
<td>Forward Operating Base</td>
</tr>
<tr>
<td>JSP</td>
<td>Joint Service Publication</td>
</tr>
<tr>
<td>LOC</td>
<td>Lines of Communication</td>
</tr>
<tr>
<td>MND-SE</td>
<td>Multinational Division-Southeast</td>
</tr>
<tr>
<td>MOD</td>
<td>Ministry of Defence</td>
</tr>
<tr>
<td>OIF</td>
<td>Operation Iraqi Freedom</td>
</tr>
<tr>
<td>PFI</td>
<td>Private Finance Initiatives</td>
</tr>
<tr>
<td>PMC</td>
<td>Private Military Contractors</td>
</tr>
<tr>
<td>PMF</td>
<td>Private Military Firm</td>
</tr>
<tr>
<td>PSC</td>
<td>Private Security Company</td>
</tr>
<tr>
<td>SDR</td>
<td>Strategic Defense Review</td>
</tr>
<tr>
<td>UK</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>UNSCR</td>
<td>United Nations Security Council Resolution</td>
</tr>
<tr>
<td>US</td>
<td>United States</td>
</tr>
</tbody>
</table>
ILLUSTRATIONS

Figure 1. Demand Curve ........................................................................................................................................13

Figure 2. Supply Curve .........................................................................................................................................14

Figure 3. A graphical depiction of the number of British troops and the amount spent on PMCs from 2003 to 2011. ..............................................................................................................................29

Figure 4. A graphical depiction United Kingdom government spending on defense outlays from 2003 to 2011. ..............................................................................................................................................43
TABLES

Table 1. British companies awarded contracts from January 2007 to March 2013. ..........................31

Table 2. Summary of findings ........................................................................................................47
INTRODUCTION

Military scholars continue to evaluate the effects of private military contractors on military operations conducted by the United States. In 2006, the Director of the Private Security Company Association of Iraq estimated that 181 of such “private security companies” were working in Iraq with “just over 48,000 employees.”¹ At the height of the surge in April 2008, the Department of Defense (DOD) stated it had 163,900 contractors supporting 160,000 troops in Iraq.² While these numbers are thought provoking, the United States is not alone in the use of military contractors. The United Kingdom (UK) has used private military contractors as an instrument of policy since entering the war in 2003. The UK government has spent £179 million ($294 million)³ on private contracts in Iraq between 2003 and 2008.⁴ The UK and US dominate the global market for private military companies.⁵ Therefore, scholarly research on the UK should help explain the phenomena of private security.

In his doctrinal dissertation, Dr. Bruce Stanley suggests that the previous scholarly literature has failed to produce a working theory to explain the relationship between the private security industry and the United States.⁶ He argues that the existing literature provides only a

³This conversion depicts the currency exchange as of 20 January 2014.
descriptive understanding of the contextual conditions that enabled the industry’s growth but lacks the causal connections to explain the phenomenon. Although his research developed interesting conclusions about the United States, an exploration of this phenomenon in the United Kingdom has the potential to build on this scholarly work. Using the methodology introduced by Bruce Stanley, this study demonstrates the following: first, that the use of private security contractors by the United Kingdom is not a new phenomenon; second, that the increased use of private security as an instrument of military policy or foreign policy in Iraq may in fact be a consequence of deliberate policy decisions as the United Kingdom joined the United States in the invasion of Iraq; and third, that the security environment in the target state of an intervention is a factor that produces an increased use of private security contractors.

The purpose of this study is to test the hypotheses and research questions proposed in Stanley’s dissertation by using a structured, focused comparison for the case study selection and examining the role of British private military contractors (PMCs) during Operation TELIC, the UK’s contribution to Operation Iraqi Freedom (OIF). The researcher chose this case study due to the parallels between the British and American experience since the beginning of America’s war on terror in the 21st century to the culmination of the Iraq war in 2011. Data pertaining to the British Strategic Defense Review (SDR) indicates that following 9 September 2001 and 7 July 2005, the British military were on an unanticipated trajectory towards persistent conflict. When

7Ibid.

8On Thursday, July 7, 2005 - one day after London won the bid to host the 2012 Olympic Games, and the first day of the UK-hosted G8 summit - four suicide bombers detonated explosives in three locations in the central London subway network and on a bus, killing 52 people, and injuring more than 770.

the Bush administration began planning the invasion of Iraq the Blair government in the UK was making the same case for war.\textsuperscript{10}

The significance of this study is that it contributes much needed insight and theory into the successful implementation of both private and public military capabilities as a means to achieve policy objectives. Peter Singer commented that, “the war in Iraq would not be possible without private military contractors.”\textsuperscript{11} Operational level planners must understand this reality, while being able to leverage the appropriate balance of military and civilian options. Thus, the results of this study will help explain the political and economic implications of using private military contractors in order to promote effective operational plans. By identifying how the UK has shaped policy regarding the use of private military contractors, the US can fill the gaps in its existing knowledge. While the nature of war and conflict in the future is uncertain, providing contextual data on the use of private military contractors in war and conflict is critical. Operational planners will make better decisions when it can be determined if the growth in private military companies is in fact a dilemma.

To further assist in the understanding of this research, this study provided definitions and delineations to key terms. Four terms that appear often in literature regarding private contracting are private military firm (PMF), private military company (PMC), private security company (PSC), and contractors on deployment operations (CONDO). The common thread in the forementioned terms is their linkage back to the military domain.\textsuperscript{12} PMFs are profit-driven

\textsuperscript{10}James P. Pfiffner and Mark Phythian, \textit{Intelligence and National Security Policymaking on Iraq: British and American Perspectives} (Manchester, UK: Manchester University Press, 2008), 1.

\textsuperscript{11}Singer, \textit{Can't Win With'em, Can't Go to War Without'em}, 3.

organizations that trade in professional services intricately linked to warfare. Singer provides this definition as a means to describe those corporations that provide a certain military skill applicable to the conduct of warfare. Deborah Avant, in her 2005 work *The Market for Force: The Consequences of Privatizing Security*, provides the definition of PMC as any company that offers military or security related services for profit. Christopher Kinsey, another respected scholar on this subject, argues that there is a distinction between PMC and PSC. He defines a PMC as having a strategic impact on the security and political environment of weak states facing a significant military threat. A PSC provides services generally concerned with crime prevention and public order. Sarah Percy, author of *Mercenaries: The History of a Norm in International Relations* expands the definition of PMCs by asserting that PMCs specialize in military skills and will actually engage in combat, while PSCs offer advice and training, and provide fixed site and personal security, but do not engage in combat. She further states that “PSCs undertake tasks authorized by the government and so are almost a branch of the national armed services.”

In an attempt to remain consistent with the scholarly research conducted by Stanley, this research will use Percy’s definition of PMCs and PSCs when describing its general use domestically or as a tool for foreign policy. When directly quoting the United Kingdom the term


15 Kinsey, 14.

16 Ibid., 16.


18 Ibid., 61.
Contractors on Deployed Operations (CONDO) may be used. It refers to both armed and unarmed security services private security contractors.\textsuperscript{19} Clarification of these terms should assist the reader’s ability to comprehend the information. This study will now transition to a review of the theoretical framework.

The theory under examination states that the lack of sufficient national military force and increased UK involvement in conflicts results in an increased demand on the private security industry. By analyzing available documentation on the use of British PMCs from 2002-2011 in Iraq, this study tests the documented increased use of the private contractors through the lens of the economic principles of supply-demand theory. Demand refers to the quantity of goods and services that consumer’s demand, depending on price and other factors.\textsuperscript{20} Supply is the quantity of a good or service that firms supply, depending on price and other factors.\textsuperscript{21} The supply-demand theory explains how consumers and suppliers interact in the market place. However, in the case of private military contractors there is one consumer in the market, the government. This market type is a monopsony: there is only one buyer of a good in a market.\textsuperscript{22} For this research, the single buyer will be the United Kingdom government. This study uses the framework of microeconomics and the market interactions within a monopsony to explain the use of PMCs in Iraq by the British and seeks to build empirical data to strengthen Stanley’s theory.

This study tests five hypotheses to determine the validity and robustness of Stanley’s theory within a single case study: the UK in OIF. These hypotheses originate from Stanley’s dissertation and are the following:

\footnotesize{\textsuperscript{19}Ministry of Defence, Joint Service Publication (JSP) 830, Manual of Service Law, (London, Minestry of Defence, 2013), 1:1-3-11.}
\footnotesize{\textsuperscript{20}Jeffrey Perloff, Microeconomics, 2nd ed. (Boston, MA: Addison Wesley Longman, 2001), 13.}
\footnotesize{\textsuperscript{21}Ibid.}
\footnotesize{\textsuperscript{22}Ibid., 501.}
H1: When military outlays decrease there is an increase in the use of private security.

H2: When the size of a national military decreases there is an increase in the use of private military security.

H3: When the number of military disputes, engagements and conflicts increase, there is an increase in the use of private security.

H4: When the duration of a military conflict increases, there is an increase in the use of private security.

H5: When there is a decrease in bureaucratic controls and regulations there is an increase in the use of private security.

Eight research questions guide this study and help assess the five hypotheses. These questions maintain the theoretical model established in Stanley’s dissertation, thus allowing a better understanding of whether his purposed framework has validity across additional case studies. The questions that guide the analytical study of the case are:

Q1: How many British private military contractors were used during each intervention?

Q2: What role did the British private military contractors play?

Q3: What laws, regulation, and controls were in place during Operation Iraqi Freedom in regards to contractors from 2003-2011?

Q4: What was the duration of the intervention?

Q5: What was the scope of the conflict?

Q6: How many troops participated in other conflicts or deployments?

Q7: What was the size of the British military?

Q8: What percentage of the national budget do Ministry of Defence outlays represent?

There are two limitations to this study. First, this study is limited to unclassified sources. As a result, it will rely on public records released by the US and UK governments and secondary sources for data collection. Secondly, the empirical data consists of what is available through research conducted from within the United States and the United Kingdom. The data therefore
may vary based on the challenges of this researcher not being able to collect data from within the
United Kingdom concerning private contracting policy and practices.

The delimitations used in this study originate from an attempt to place boundaries and
qualifications on the research. This study focuses on the use of private security contractors hired
by the Ministry of Defence during the United Kingdom’s contribution to the Iraq War from initial
entry in 2003 up through the end of the war in 2011. Although the United Kingdom uses PMCs in
other government organizations such as the Department of International Development, this study
focuses only on those contracts originated and maintained under the Ministry of Defence.

This study makes two assumptions. First, the policy decisions made by the UK accurately
reflect what is publicly available. As a result, interpretations of those decisions influence the data.
Second, this study assumes that the United Kingdom will continue to use private security in the
future both domestically and internationally.

This study is organized into five additional sections. Section two is a review of the
current literature on private military and security contracting. Section three is the paper’s research
methodology, a structured, focused comparison of a case study in the use of contracting,
instrumentation, data collection, and data analysis. Section four presents the case study of the UK
in Operation TELIC from 2003-2011, and answers the research questions. Section five presents
the finding and an analysis of the research questions against the original hypotheses. The final
section provides a summary of the study, implications of the findings for theory and practice,
recommendations for further study and conclusions.

LITERATURE REVIEW

This section presents the reasoning for conducting further research on the increased
employment of the private security contractors by the UK during OIF. Researchers and scholars
have studied the rise of private security since well before the war in Iraq. However, up to this
point the study of private security contractors occurred within the framework of describing the
phenomena rather than creating understanding for the cause in its rise. This study sought to examine the use of the private military and security industry by the UK during OIF against the variables tied to supply-demand theory. This research attempts to build on the foundation created by the research of Dr. Bruce Stanley, Major Kevin Clarke, and Major Steven Noel by assessing decreased national military capabilities and outlays, increased conflicts, conflict duration and scope, and bureaucratic policy controls. The following section will be a discussion of the existing literature, the general theory of supply and demand, and the pertinent theoretical framework used to help bring understanding to the growth of private security.

The study of privatization of the military in the UK provides a better understanding of the private security phenomena. While much of the debate regarding privatization has centered on the US, private security companies in the UK are also worth studying. There is limited scholarly data concerning private security companies in the UK. Yet, much like the US, the UK has relied heavily on private security companies. UK companies, such as Northern Defence Industries, represent more than 200 defense contractors in Northern England. Additionally, the UK manages the use of private military contractors differently from the US.

Singer has been the leading scholar on the discussion of private military contractors. His book *Corporate Warriors: The Rise of the Privatized Military Industry* was the first to explore the new industry of private companies providing military services for hire. He argued, “the private market filled the security gap resulting from the end of the Cold War.” Additionally, he states, “every major U.S. military operation in the post-Cold War era (whether in the Persian Gulf, Somalia, Haiti, Zaire, Bosnia, or Kosovo) has involved significant and growing levels of PMF


24Singer, *Can't Win With'em, Can't Go to War Without'em*, 21.

25Singer, *Corporate Warriors*, 49.
Although he adequately explores the growth in private military companies, he fails to address the use of PMCs in the UK.

Andrew Dorman does a more direct job of identifying a link between the UK and the US regarding the use of private military contractors. His work highlights US policies that could improve based on the lessons drawn from the UK government. It is clear that, Dorman builds on Singer’s work regarding “privatization of defense.” He points out that, because of financial limitations, the British defense community has been quite creative in its use of private contractors to release personnel and assets for operations. Still, he suggests, “as private contractors take over areas of responsibility, the knowledge associated with these areas is lost and the customer becomes totally dependent on the service provider.”

Similar to Dorman, Christopher Kinsey compares the US and UK PMCs. He points out that the organizational structures of the two countries’ PMCs are very different. Although he acknowledges that scholars know little about UK PMCs, he asserts that UK PMCs are much smaller than their US counterparts are, and draw the majority of their work from the commercial sector. However, the British Ministry of Defence (MOD) has considerable and long-standing experience with contracting out the provisions of services. Again, this comparison highlights the UK’s use of PMCs, while demonstrating the need for further research on understanding the growth of private security.


27Andrew M. Dorman, Transforming to Effects-Based Operations: Lessons from The United Kingdom Experience (Carlisle, PA: Strategic Studies Institute, 2008), 46.

28Ibid., 47.

29Kinsey, 1.

30Ibid., 97.

31Ibid., 105.
The work of Clive Walker and Dave Whyte focuses on a description of the government control of the private security industry in the UK and not theory. They point out the existing belief that the private military industry will responsibly self-regulate. Noreena Hertz counters this assertion by stating the link between PMCs and large multinational conglomerates, many of which have asset holdings greater than some governments and may pursue independent agendas. Walker and Whyte further suggest that the increasingly frequent use of PMCs implies a privatization of state military functions; a process that implies a reduction of the state’s capacity to react politically, to intervene in markets and so on.

Deborah Avant’s findings compliment the initial research of Singer. She makes the case that the combination of smaller numbers of military personnel and more operational deployments increased the demand for available military personnel. She asserts that the government sees sending private security forces who are working for profit overseas as requiring less political mobilization than sending national troops who are serving their own country. While she does introduce concepts of supply and demand, Avant does not examine the private security industry using the theory of supply and demand. To understand the context of the existing literature, it is important to address economic theory.

34 Walker and Whyte, "Contracting out War?" 688.
36 Ibid., 6.
37 Stanley, 17.
Jeffrey Perloff suggests that microeconomic models help explain economic decisions and how they allow us to make predictions.\textsuperscript{38} He further states that the use of microeconomic models by governments helps predict the probable impact of a policy before it is adopted.\textsuperscript{39} From this perspective, microeconomics can help scholars to understand government spending regarding the military. Smith argues that many military decisions regarding spending, to include funding for private security companies, is not based on “the country they might fight, but on the finance ministry that controls their budgets.”\textsuperscript{40} He points out that “if the cost of one alternative rises, decision makers will tend to substitute another alternative.”\textsuperscript{41} However, Smith concludes that strategy and economics can never provide clear policy rules because they are largely competitive activities.\textsuperscript{42} He finds that the discussion regarding economics and the military is one of how to avoid failure rather than how to guarantee success. The emphasis on substitution of PMCs for a professional military relates to the supply and demand theory by showing that limits on wealth prevents government from providing military personnel. To fully understand the effects of the supply and demand theory on the use of PMCs one must first understand the basic elements of the theory.

The law of demand states that the quantity of a good or service that consumers demand depends on price and other factors. The amount of a good that consumers are willing to buy at a given price, holding constant the other factors that influence purchases, is the quantity

\textsuperscript{38}\textsuperscript{38}Perloff, 8.
\textsuperscript{39}\textsuperscript{39}Ibid., 9.
\textsuperscript{40}\textsuperscript{40}Ron Smith, \textit{Military Economics: The Interaction of Power and Money} (New York, NY: Palgrave Macmillan, 2009), 7.
\textsuperscript{41}\textsuperscript{41}Ibid., 33.
\textsuperscript{42}\textsuperscript{42}Ibid., 172.
demanded. A demand curve illustrates the relationship between price and quantity demanded. A curved or straight downward slope of a demand curve to the right shows that, holding other factors that influence demand constant, consumers demand less of a good when its price is high and more when the price is low. Knowing what consumers want is only part of the supply and demand theory.

43 Perloff, 15.
44 Ibid.
In the same way, determining the market price and quantity helps one understand how much firms want to supply at a given price. The law of supply states that the quantity of a good or service that firms supply depends on price and other factors.\textsuperscript{45} Perloff shows that a supply curve represents the quantity supplied at each possible price, holding constant the other factors that influence firms’ supply decisions.\textsuperscript{46} This supply curve graphically depicts the quantity supplied. In other words, there is no law of supply that requires the market supply curve to have a particular slope.\textsuperscript{47} However, many supply curves slope upward in the opposite direction of the demand curve.

\textsuperscript{45}Ibid., 13.
\textsuperscript{46}Ibid., 22.
\textsuperscript{47}Ibid., 23.
The supply and demand curves determine the price and quantity points for buying and selling goods. When all traders are able to buy or sell as much as they want the market is in equilibrium.  

In the case of private military contractors, there is only one consumer in the market, the government. This market type is a monopsony. The UK government is the sole employer of PMCs, thus they have a monopsony in the local labor market. The UK government, the single buyer operating in this market, chooses the price-quantity combinations from the industry supply curve that maximizes its profits. A monopsony exercises its market power by buying at a price below the price that competitive buyers would pay. If PMCs could offer their services to competing governments a competing price market would exist and would ultimately

---

48Ibid., 27.

49Ibid., 501.

50Ibid., 521.
affect the price of the service provided. Understanding how the UK government is a protected
monopsony that maintains a capable national military force enhances clarity as this discussion
transitions to bureaucratic controls, national military size, increased conflict participation by the
state, and budget constraints.

The level of bureaucratic controls imposed by a government refers to both the formal
controls as well as customs not explicitly regulated. Formal controls are the body of international
laws that regulate the use of PSCs at home and abroad. In the UK, military adventures are, at
present, bureaucratically controlled by the Foreign Enlistment Act 1870 and the Export Control
Act 2002. The Foreign Enlistment Act 1870, section 4 prohibits its citizens from engaging in
military service of a foreign state.\textsuperscript{51} Walker and Whyte state that the Foreign Enlistment Act 1870
has its shortcomings. Specifically, it does not encompass most guerrilla movements or stateless
fighters.\textsuperscript{52} However, the 1870 act has recently been supplemented. Under section 54, a person
commits an offense if he provides training or instruction of the use of a firearm, radioactive
weapon, explosive, or chemical, biological or nuclear weapon to a foreign nation.\textsuperscript{53} Additionally,
a more direct prohibition on recruitment for conflict is contained in section 59 to 61, which seeks
to give the United Kingdom’s court jurisdiction over offences of incitement to terrorism abroad.\textsuperscript{54}
The Export Control Act 2002 contains measures that are potentially usable against PMCs to
prevent trafficking and brokering in military equipment based on concerns about an adverse
effect on peace, security or stability in any region of the world or within any country.\textsuperscript{55} Despite

\textsuperscript{51}Walker and Whyte, "Contracting out War?", 654-655.
\textsuperscript{52}\textit{Ibid.}, 655.
\textsuperscript{53}\textit{Ibid.}
\textsuperscript{54}\textit{Ibid.}, 656.
\textsuperscript{55}\textit{Ibid.}, 657.
the specificity of the Export Control Act, the UK does not heavily regulate PMCs. Walker and Whyte point out that the House of Commons has taken action to provide political rationale for the regulation of PMCs. The Green Paper *Private Military Companies: Options for Regulation* assesses a number of options for the regulation of PMCs by the UK government. While the level of bureaucratic controls provides clarity, the UK national military size is also an important aspect for consideration.

The size of the military refers to UK regular forces, trained Gurkhas, full time Reserve personnel and Nursing Services Personnel. Additionally, the UK national military or Armed Forces refer to the Army, Navy and Marines, and Royal Air force. The extant literature strongly suggests that the decrease in the size of a nation’s military helps explain the increase in the reliance on the private security industry. In 2003, the UK regular forces had 42,560 Navy and Marines, 117,000 Army, and 53,600 Royal Air Force personnel serving. In April 2009 the UK regular forces had 38,960 Navy and Marines, 111,410 Army, and 43,970 Royal Air Force personnel serving. By 2009, the UK regular forces were roughly 9 percent smaller than at the beginning of the Iraq war. Interestingly, the civilian staff also saw a drop in numbers. In April 2004, the MOD employed 109,000 full time equivalent civilians. This figure decreased to

---

56Ibid., 658.


76,000 civilians in 2009. Thus, further research could determine if there is a correlation between the size of the military and the increased use of the private security industry.

Increased conflict participation by the state is an additional area that demands attention. Conflict participation refers to the government’s use of military forces alone or as a partnership, in response to a military worthy threat abroad. For this research, this will include any known or suspected threat that requires the deployment of military forces. On 1 April 2004, the principal deployments of the UK military included 29 countries. In March 2009, the principal deployments of the UK military included 28 countries. The UK demonstrates a continued ability to undertake a number of standing military tasks while providing assistance to a number of governments in support of UK interests. However, Timothy Edmunds points out that the operational demands mentioned above create a pressing dilemma for the UK. He asserts that the UK’s practice of expeditionary operations and military transformation engenders at least three points of institutional tension: first, the appropriate role of the armed forces; second, the resources required to equip and sustain them in it; and third, the influence of wider political and economic interests in the defence policy process itself. Much like Singer, Edmund suggests that the defence policy complex has shaped the core assumptions and practices that have underpinned British defence since the end of the Cold War. In short, the extant literature strongly suggests

---


65 Ibid., 394.
that the increased conflict participation by the state helps explain the increase in the reliance on the private security industry.

The final concept to examine is the level of defense spending over the course of the conflict. Defense spending refers to the total spent on military defence, civil defence, foreign military aid, foreign economic aid, research and development aid, and other miscellaneous defence requirements. The United Nations Security Council Resolution (UNSCR) 1483, adopted on 22 May 2003, acknowledged the status of UK and US Forces as Occupying Powers in Iraq. At the same time, the MOD expenditure from 2003 to 2004 was £1,493 million. About 85 percent of the provision, including £1,311 million for operations in Iraq, £104 million for operations in the Balkans (Bosnia, Kosovo and the Former Yugoslav Republic of Macedonia), £36 million for operations in Afghanistan, and £1.7 million for operations in Africa (Democratic Republic of Congo and Sierra Leone). Put simply, the operational activity during 2003 was dominated by events in Iraq. The 2003 to 2004 Ministry of Defence Annual Report and Accounts shows a reliance towards private companies by the UK government. The payments made during the year for private finance initiatives (PFI) transactions were £605,139,000, an increase from the £542,048,000 spent in 2002/2003. According to this same report, the PFI continued to play an important role in the provision of defence services and the MOD sought to involve the private sector, thus increasing its’ reliance on contractors. The MOD places significant demands on the

---


68 Ibid.

69 Ibid., 149.

70 Ibid., 61.
total budget to produce a military capability for the UK government, which suggests that PMCs are an economically viable alternative.

This study maintains that the use of PMCs is a practical alternative for the UK government when constrained in its ability to provide domestic and international security. This section introduced the rationale for conducting research on the causes of the rise of the private security industry in the United Kingdom. It also reviewed the literature pertinent to this research study by presenting a summary of the existing literature, the general theory of supply and demand, and the theoretical framework for the rise of private security. Next is a presentation of the research methodology.

METHODOLOGY

The primary goal of this study is to test the hypotheses and research questions proposed in Stanley’s dissertation by expanding the case study selection and examining the role of UK PMCs during military operations in Iraq. This case study represents an alternative perspective on America’s war on terror while also providing data on the UK government’s options regarding the use of force. The parallels between the Bush administration and the Blair government are enough to justify the study. Leaders in both governments committed themselves to the probability of war with Iraq in early 2002, and both remained firmly committed despite broad international skepticism about a need for war.71 Furthermore, although the war on terror seems dominated by the American narrative, the UK has been equally involved. The attacks on 11 September 2001, took over 3000 lives, including a number of British citizens.72 Additionally, the UK has been

71Pfiffner and Phythian, 1.

conducting operations in Afghanistan since 2001. The theory under examination states that the lack of sufficient national military force and increased UK involvement in conflicts results in an increased demand on the private security industry. By analyzing available documentation on the use of PMCs between 2003 and 2011 in Iraq, this study tests the documented increase of the private contractors through the lens of microeconomics principles of supply-demand theory. Additionally, this section provides the sources of data collection, and expands upon the research questions presented as part of the introduction. This section has five components: the introduction, case selection, instrumentation, data collection/analysis, and summary.

It is important to highlight the rationale for selecting Operation Iraqi Freedom for the case study. The goal is to continue the work of Stanley, Clarke, and Noel. Initially, Stanley’s three case studies involved wars of choice with the US interventions in Operation Desert Shield/Desert Storm (1991), Bosnia (1995), and Operation Iraqi Freedom (2003). Clarke expanded the case study selection by examining the role of PMCs during military operations in Afghanistan. Most recently, Noel conducted further research by examining the role of PMCs in Canada over the last decade in the war on terror, specifically in Afghanistan. Collectively, these case studies provide much needed data while broadening the understanding of private security. The UK involvement in Operation TELIC provides a continuation of the study of PMCs using Stanley’s framework. As previously mentioned, there are significant parallels between the UK and the US regarding the conduct of war. Many of the same key concepts identified in

---


74 Stanley, 46.

75 Kevin S. Clarke, “Microeconomics, Private Security, and the Significance to Operational Planning” (Monograph, School of Advanced Military Studies, 2013), 46.
Stanley’s original study regarding the increased need for private military contractors during combat operations have influenced the UK.

This study relies on a structured, focused approach as described by Alexander George and Andrew Bennett. The method studies historical experiences in ways that would yield useful generic knowledge of important foreign policy problems, thus discouraging the use of a single historical example when faced with new decisions. This research achieves structure by identifying the event, defining the appropriate research strategy, and employing variables of theoretical interest for purposes of explanation. In other words, the researcher standardizes the conduct of the research. The focus takes place through the conduct of research with a particular objective in mind. George and Bennett assert that a single event can be relevant for research on a variety of theoretical topics. Thus, the structured, focused approach shapes the research for the use of PMCs by the UK in Iraq.

The following questions guide the case study analysis. The first question seeks to identify how many British private military contractors were used during each intervention. This is important in finding the correlation between professional military personnel and privately contracted support. What this data will show is raw numbers, thus providing context to the research. The second question considers the role British private military contractors play. Understanding how PMCs are used will provide better synthesis and, possibly, predictability for choices made by policy makers. The third question asks what laws, regulation, and controls were in place during Operation TELIC in regards to contractors from 2002-2011. By addressing the limitations or constraints imposed by the British government both prior to and during the conflict

77Ibid.
78Ibid., 70.
in question, a relationship can be assessed between bureaucratic control measures and the
governments reliance or lack thereof on the private security industry. This researcher expects to
find the fewer the limitations and constraints, the more that the private security industry is used.
The fourth question addresses the duration of the intervention. The duration can influence a
government’s ability to provide manpower. More importantly, the duration of an operation can
dictate the type of manpower needed; exclusively military or a combination of military and
contracted military support. Additionally, if the duration of the operation goes beyond that
anticipated, then operational planners automatically face a resourcing decision point. The fifth
question considers the scope of the conflict. This differs from duration in that this question is
concerned with the area covered or responsibility of the British military. By addressing this
question, we can understand the military and monetary demands on the UK government at a
single point in time. With this information, we can understand how PMCs decrease or increase
the demand. The sixth question identifies how many troops participated in other conflicts or
deployments. This will provide specificity to the actual commitment of military forces. As Clarke
points out, the commitment of US military forces in other operational conflicts reduces the pool
of available forces to draw from. This occurrence acts as another forcing function for increasing
the use of PMCs in the operational theater. This researcher expects the same to be true in the case
of the British Military. Question seven addresses the size of the British military. This provides the
baseline for understanding the actual capability of the UK government to provide a combat force.
Furthermore, it helps to illustrate if a strain exists in the UK government’s ability to provide
military personnel. The eighth and final question asks what percentage of the national budget
does the Ministry of Defence outlays represent. Simply put, this question addresses the defense
budget of the Ministry of Defence from the beginning of its intervention as a percentage of its

79Clarke, 21.
Departmental Expenditure Limits when compared to total Department expenditures of the UK. As the size of the MOD Departmental Expenditure decreases over time, there should be an increased reliance on the private security industry due to decreased spending on the national military.

This section restated the purpose of this research and presented the questions. The focused, structured approach was chosen as a method to standardize data collection and systematically compare this research with Stanley’s original findings to further understand the government-industry relationship of privatized military services. The research relies on one case study that further tests the validity and robustness of Stanley’s theory of monopsony to explain the rise of the private security industry since the end of the cold war. This research is important for operational planners because it is critical that they understand that contracted military support will remain constant in future military operations.

CASE STUDY

This section uses a qualitative approach to examine the validity of the supply-demand theory of a protected monopsony and to define the market relationship between the UK government and the private security industry during the Iraq War. This study consists of a single historical case explored using questions and hypotheses employed by Stanley, Clarke, and Noel. The purpose of this examination is to expand the study while adding depth and precision by testing the validity and robustness of a military conflict from a perspective other than that of the United States.

This section consists of five parts. First, is the introduction and justification for the selection of the case. Second, is an overview of the case study, beginning with the events that lead to the UK involvement in the Iraq War. Following the overview is an in-depth examination of the focused questions established at the beginning of this study. Fourth, is an analysis of the answers
discovered from the respective questions against the hypotheses presented by Stanley. The final section will be a summary.

The UK involvement in the War in Iraq provides data that can further expand Stanley’s theoretical research. The UK’s justification for going to war parallels that of the United States. Prime Minister Tony Blair would decide early on that Britain would support the US efforts in removing Saddam Hussein from power. However, his decision to take military action would not be a popular one socially, politically, or financially. Thus, UK involvement in Operation Iraqi Freedom as well as an in-depth historical examination of the British government’s interaction with private security serves the purpose of expanding on the phenomenon of the private security market.

On 29 January 2002, during the state of the Union address, President Bush formally declared Iraq as an axis of evil, and accused them of arming with the intent to threaten the peace of the world.\(^{80}\) On 4 July 2002, soon after Bush’s declaration, Tony Blair would give a similarly toned speech at the George Bush Senior Presidential Library in Crawford Texas. Tony Blair stated, “to allow Weapons of Mass Destruction to be developed by a state like Iraq without let [sic] or hindrance would be grossly to ignore the lessons of September 11th.”\(^{81}\) However, in Britain Tony Blair would struggle to rouse the support of the Parliament. The British government had difficulty in making a persuasive case for taking military action against Iraq. The legal basis on which Britain could go to war was in question.\(^{82}\) Additionally, there would be significant anti-

---


\(^{82}\) Christoph Bluth, "The British Road to War: Blair, Bush and the Decision to Invade Iraq," *International Affairs (Royal Institute of International Affairs 1944-)* 80, no. 5 (2004): 885.
war sentiment in Great Britain. A survey on public attitudes to the Iraq war as part of the Economic and Social Research Council's Democracy and Participation Programme found that 58 percent of the respondents disapproved of the war before hostilities even began.$^{83}$ Despite these concerns, Britain would partner with the US in giving Saddam Hussein 48 hours to leave his country or face war.$^{84}$ In the first speech given to Congress by a British prime minister since Margaret Thatcher in 1985,$^{85}$ Tony Blair would affirm the US British alliance by stating that “the risk is that terrorism and states developing weapons of mass destruction come together and that Iraq under Saddam gave haven to and supported terrorists.”$^{86}$ Lacking the full support of the European Union, the British would officially go to war for Iraq’s failure to comply with the UNSCR 1441.$^{87}$

Operation TELIC was the United Kingdom's contribution to the Coalition effort better known as Operation Iraqi Freedom. In the spring of 2003, the UK government used military force to create conditions in which Iraq would disarm in accordance with its obligations under UNSCRs and remain so disarmed in the long term.$^{88}$ Within 10 weeks, around half the time it

---


took for the 1990-91 Gulf War, the large United Kingdom force deployed some 3,400 miles into an austere environment, and prepared for actual warfighting. Contracted support proved to be essential during this period and through the duration of the war. The UK government heavily resourced the initial deployment into Iraq. The logistical effort required 78 ships and 360 aircraft sorties to transport the personnel, equipment and supplies with over 9,100 freight containers. The entry into the war would be the peak in resources and personnel for the UK government. As Operation TELIC transitioned to a security and stability focus following major combat operations, defence funding would continue to increase while the UK troops in Iraq decreased. The following questions and answers will enable an analysis of the shift.

The first question considers how many British contractors were used during Operation TELIC. The official number of British contractors in Iraq from 2002 to 2011 could not be determined. PMCs, such as ArmorGroup and Control Risk Group, do not have the same close working relationship with the UK government as some US companies have with their government. It is plausible that the UK government intended to blur the link between the government and PMCs. Creating this ambiguity would allow the UK government to react to unforeseen allegations and to deny ownership of specific PMC operations. Additionally, the fact that UK companies have the freedom to supply contracted military personnel to both government agencies and private businesses operating in Iraq further complicates determining the actual number of PMCs in Iraq. As a result, it is more difficult to link an exact number of PMCs in

89Ibid., 2.
90Ibid., 3.
91Kinsey, 27.
92Ibid., 31.
93Ibid., 27.
Iraq to those specifically contracted to support the UK government. Still, by identifying UK government spending on private security companies and comparing that figure to the number of UK military personnel in the theater of operations, one can deduce the level of PMCs used by the UK government. In 2003, when the British involvement in the Iraq War was at its peak, the total number of British military troops was approximately 45,000. During the same period, the UK government spent £12.6 million on PMCs. Major combat operations for the British military ended by the close of 2003. In 2004, the total number of British military troops decreased to approximately 9,200. However, the UK government increased its spending on PMCs to £45 million. This would indicate that the number of PMCs increased when compared to the £12.6 million spent at the beginning of the invasion. Troop levels and spending on PMCs remained consistent between 2005 and 2006. The next significant change occurred in 2007, where British military troop levels decreased from 8,100 to 6,000. Spending on PMCs had a slight increase from £50 million to £52 million. This again indicates an increase in PMCs. The British military continued to reduce its troop level in 2009 to 4,100. Again, spending on PMCs remained

---


97Office, 2.


99Office, 2.

constant at £49.5 million.\textsuperscript{101} In 2010, one year prior to the completion of British combat operations and withdrawal, the British military decreased to 135 troops in Iraq.\textsuperscript{102} With 135 troops in Iraq, the British government spent £41.6 million on PMCs. Thus, the number of PMCs used remained consistent. Figure 3 illustrates a graphical depiction of the number of troops and the amount spent on PMCs from 2003 to 2011.

\textsuperscript{101}Office, 2.

Figure 3. A graphical depiction of the number of British troops and the amount spent on PMCs from 2003 to 2011.

*Source:* Created by author.

The second question considers what role the British private military contractors played in operations in Iraq. Specific functions of PMCs, prior to 2007, are not available. However, from 2007 to 2011, PMCs received contracts to provide the following services in support of the Iraq war: mobile guarding; static guarding; overseas security managers and intelligence analysts; police mentors and advisers; and vehicle maintenance.¹⁰³ This research assumes that these services did not significantly change from 2003 to 2006. It is necessary to look at each of these services individually in order to provide context. Mobile guarding deals with the armed security

---

¹⁰³Office, 2.
of vehicles during convoy movement.\textsuperscript{104} Static security refers to protecting fixed or static sites, such as housing areas, reconstruction work sites, or government buildings.\textsuperscript{105} Security Managers are responsible for the on-site security industry best practices and procedures with knowledge regarding the different services.\textsuperscript{106} Intelligence analysts conduct research involving news analysis that spans political, socioeconomic and regional issues.\textsuperscript{107} Both the military and private security companies often use this data operationally. Police mentors and advisors provide civilian law enforcement expertise by collaborating with their military counterparts to assess, advise, mentor, and train National Police.\textsuperscript{108} Vehicle maintenance is the use of civilians to conduct scheduled or unscheduled maintenance on military vehicles. Collectively these services would require significant physical and logistical resources if conducted by the British military in combat. Table 1 illustrates the British companies awarded contracts between January 2007 to March 2013, and the services they provided.

The data needed to explain how many PMCs the UK government used in Iraq is not available. However, it is safe to assume that the UK government met the demands of the persistent military tasks by using PMCs in Iraq. The British government’s use of PMCs in


\textsuperscript{105}Ibid., 2.


Afghanistan, to fill the wider spectrum of military tasks, supports this assertion.\textsuperscript{109} A lack of available data regarding the services provided by PMCs may be a result of the UK government’s lack of national standards.

Table 1. British companies awarded contracts from January 2007 to March 2013.\textsuperscript{110}

<table>
<thead>
<tr>
<th>Period</th>
<th>Iraq Company</th>
<th>Service Provided</th>
<th>Contract Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan 2007 – Jan 2010</td>
<td>Control Risks</td>
<td>Mobile Guarding</td>
<td>£68 million</td>
</tr>
<tr>
<td>Jan 2007 – Nov 2009</td>
<td>GardaWorld</td>
<td>Static Guarding</td>
<td>£17.5 million</td>
</tr>
<tr>
<td>Sep 2007 – Oct 2013</td>
<td>Minimal Risks</td>
<td>Overseas Security Managers and Intelligence Analysts</td>
<td>£2.5 million</td>
</tr>
<tr>
<td>(Retendered in 2010)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oct 2007 - Mar2008</td>
<td>Armor Group</td>
<td>Police Mentors and Advisers</td>
<td>£1.2 million</td>
</tr>
<tr>
<td>Feb 2009 – Feb 2011</td>
<td>Armour Group/G4S</td>
<td>Vehicle Maintenance (for Afghanistan and Iraq)</td>
<td>£1.1 million</td>
</tr>
<tr>
<td>Dec 2009 – Mar 2013</td>
<td>GardaWorld</td>
<td>Mobile &amp; Static Guarding (Mobile guarding commenced Feb 10)</td>
<td>£56 million</td>
</tr>
</tbody>
</table>


What laws, regulations, and controls were in place during Operation Iraqi Freedom regarding contractors from 2003 to 2011? Initially, the British controls on civilian contracting...


\textsuperscript{110}Office, 2.
were non-existent, due to a self-regulating approach by the UK government. Although the UK government has used PMCs to increase financial, equipment, and manpower saving since before the cold war, PMCs were used on a limited scale. The smaller number of PMCs used during deployed operations allowed for self-regulation because of the limited impact of PMCs on operations, thus not drawing public attention. This would change during the years leading to operations in Iraq. In February 2000, the MOD’s objective was to incorporate the private sector “so firmly into the doctrine for deployed operations that Planning Staffs and their Commanders would take it for granted that their task force will include a contract support element.”111 While the UK government increased its use of PMCs during operations in Iraq, the PMC’s self-regulating policies remained in place. Accordingly, the need for bureaucratic controls grew in response to the wide spread deployment of contractors by militaries and corporations during the Iraq War.112

British controls on civilian contracting in support of military operations in 2003 were governed by the following: the Foreign Enlistment Act 1870; Export Control Act 2002; Defence Policy on Contracting for Sponsored Reserves dated 27 July 2000; Ministry of Defence, Joint Service Publication 567; Contractors on Deployed Operations CONDO Policy, dated 20 November 2003; and ongoing examinations by the United Kingdom's Defence Logistics Organization’s Contractors on Deployed Operations (CONDO) committee regarding the role of the contractor on the battlefield.113 Collectively these documents simply address considerations for the MOD regarding the presence of PMCs as well as the general legal constraints placed on

111 John Spellar, "UK Minister of State for the Armed Forces," (London, UK: Royal United Services Institute, 2000).

112 Walker and Whyte, "Contracting out War?", 654.


32
UK citizens when dealing with foreign countries. Specifically, the Foreign Enlistment Act 1870 deals with the illegal enlistment and recruitment of UK citizens by foreign militaries stemming from the Franco-Prussian War. The Export Control Act 2002 addresses the regulations regarding the technology transfer and technical assistance provided by UK citizens to recipients outside of the UK. Both the Ministry of Defence, *Joint Service Publication 567* and the *Contractors on Deployed Operations CONDO Policy* focused on “partnership” and “partnering” between MOD and private suppliers. However, as early as 2001, the British Military was seeking clear CONDO doctrine with the goal of achieving a more effective command and control. This was in response to the ambiguous and unresolved policy that currently existed. By 2006, the Ministry of Defence *INTERIM Defence Standard 05-129* (Def Stan 05-129), *Contractors on Deployed Operations (CONDO) Processes and Requirements*, dated January 2006, and *Defence Contract Condition (DEFCON) 697*, emerged as supplementary doctrine. The Def Stan 05-129 states that its purpose “is to set out standardized procedures and processes essential to the efficient operation of Contractors in support of the Armed Forces.” Furthermore, DEFCON 697 “set out those additional contractual requirements arising from the presence of contractors’ personnel in a location subject to CONDO.”

Prior to operations in Iraq from 2003 to 2011, the lack of regulation for PMCs was of pressing concern. The spotlight was initially cast on this issue by the multiple entries of the

114 Walker and Whyte, "Contracting out War?,” 655.
115 Ibid., 657.
118 Tommy Weaver, *Contractors on Deployed Operations (Condo) – Procedures and Requirements* 2006. iv.
119 Ibid.
company Sandline International, a British private military company contracted in 1998 to sell 30 tons of arms to the forces of Ahmad Tejan Kabbah, the former leader of Sierra Leone. In response to the negative attention paid to the UK government, the Foreign & Commonwealth Office, published *Private Military Companies: Options for Regulation*, dated February 2002. This document outlined options for the control of private military companies operating outside the UK, its dependencies, and the British Islands. Some PMCs that desired to seek access to revenue sought to generate market signals and branding that served as screening criteria in the absence of regulation, such as the International Peace Operations Association (IPOA) and the British Association of Private Security Companies (BAPSC). However, the UK has yet to identify laws, regulations, or controls regarding PMCs.

What was the duration of the intervention? The duration of the intervention was nine years, spanning from 2002-2011. The initial planning for British involvement in Operation Iraqi Freedom began in 2002. In early 2002, the British Prime Minister, Tony Blair, argued for the importance of eliminating the threat posed by Iraq. The Ministry of Defence was concurrently planning for a rapid deployment pending the approval of the Parliament. Blair’s concern not to alert parliament and the public that he was preparing for war heightened tensions between Geoff

---

120 O’Brien, 9.


123 Ibid., 6.

Hoon, the defence secretary, and many of his top military advisers. The Defence Planning
Assumptions of the MOD envisaged that for an operation of this scale, a military task force
should be ready to deploy from its base or other location within 90 days. The Defence
Secretary outlined on 7 and 20 January 2003, and 6 February 2003, the deployment of substantial
maritime, land, and air packages to provide a broad range of military capabilities for potential
operations against Iraq. The MOD would plan to employ the majority of its military ground
forces through southern Iraq rather than the north. Within 10 weeks, the large United Kingdom
force was deployed. The UK forces consisted of elements from the Naval Task Group, 1(UK)
Armoured Division, 7th Armoured Brigade, 16 Air Assault Brigade, 102 Logistics Brigade, and
an air component consisting of over 100 fixed-wing aircraft and close to 30 support
helicopters.

British military planners at all levels had not planned for the transition to post conflict
operations, followed by an eventual withdrawal. The Ministry of Defence stated in 2003, “it is too
early for us to complete a full assessment of the transition to the post conflict phase.” Thus, the
UK government faced significant challenges in meeting the massive logistic effort of supporting
the personnel and organizations from across the department and the three services deployed in
Iraq. As the duration of the conflict continued beyond anticipation, the growth in contracted
support increased as well. As established in previous research, prolonged duration of the contract

125Richard Norton-Taylor, "Iraq War Planning Wholly Irresponsible, Say Senior UK Military
irresponsible (accessed 22 October 2013).

126National Audit Office, Operation TELIC - United Kingdom Military Operations in Iraq, HC 60


128Ibid.

129Office, 4.
represents interdependency between internal and external political actors that influenced a shift in the operational approach undertaken by the UK.\footnote{Clarke, 30.} British operations in Iraq can be broken down into the following three periods: major combat operations from early 2003 to May 2003, shift to security operations from 2003 to 2009, completion of combat operations and planned withdrawal from 2009 to 2011.

Question five considers the scope of the conflict, specifically, the area of responsibility for the British military as well as how many troops deployed in support of military operations in Iraq. In 2003, the British Secretary of State for Defence would assign the British military the responsibility for Multinational Division-Southeast (MND-SE), an area roughly the size of the state of Arkansas. This encompasses the four most southerly governorates in Iraq: Al Basrah, Al Muthanna, Dhi Qar and Maysan.\footnote{Tony A. J. Hopkin, *Operational Analysis in Support of HG MND(SE), Basrah, Iraq, 2003* (Farnborough, UK: Defence Science and Technology Laboratory, 2004), 420.}

The scope of the intervention during the invasion of Iraq was unexpected. The operation involved the deployment of significant military capabilities from all three armed services including some 46,000 personnel, 19 warships, 14 Royal Fleet auxiliary vessels, 15,000 vehicles, 115 fixed-wing aircraft and nearly 100 helicopters.\footnote{Office, 1.} The British government did not begin activities for a potential large-scale deployment to the Gulf region until early December 2002, with large vessels arriving in Kuwait in March of 2003. Combat operations commenced on 20 March 2003. An early objective was to seize the Al Faw peninsula, to secure access to the strategically important port of Umm Qasr. Following the staging in Kuwait British coalition forces, led by 40 Commando (and subsequently 42 Commando) Royal Marines, launched an amphibious assault on the peninsula, using helicopters from the UK’s Joint Helicopter Command

\footnote{Clarke, 30.}

\footnote{Tony A. J. Hopkin, *Operational Analysis in Support of HG MND(SE), Basrah, Iraq, 2003* (Farnborough, UK: Defence Science and Technology Laboratory, 2004), 420.}

\footnote{Office, 1.}
and a variety of landing craft, supported by three Royal Navy frigates providing fire support.\textsuperscript{133} The operational objective at the end of this phase was for UK forces to control key terrain in southeast Iraq to shape conditions for US troops to quickly maneuver towards Baghdad. In four days, UK forces had established over 200 kilometers of lines of communication (LOC) stretching from the eastern coast of Kuwait to the Basrah airport in Iraq. By the end of the first phase of the operation, UK forces had LOCs stretching over 350 kilometers between Iraq’s Maysan province and Kuwait.\textsuperscript{134} Contractors and the role of the Defence Logistics Organization’s Logistics Operations Centre were critical to overall mission success. By April 2003, the Operation required 1,002 military and civilian transport flights and 113 surface vessels continuously operating to deploy and sustain 46,000 personnel, 9,103 shipping containers, and 15,000 vehicles.\textsuperscript{135} The total cost of private military support for 2003 to 2004, was £12.6 million.\textsuperscript{136}

The UK troop strength saw a significant drop from 2003 to 2009. During the shift to security operations, troop levels went from 45,000 to 4,100. However, during this same period the UK had established and commanded MND-SE that led a 10 nation contingent in the southern Iraqi provinces of Basrah, Maysan, Dhi Qar and Al Muthanna.\textsuperscript{137} Basrah was comprised of three

\textsuperscript{133}Defence, "Operation TELIC: Background."

\textsuperscript{134}According to the Ministry of Defence report on United Kingdom Military Operations in Iraq, the UK forces had met a list of objectives by 1 May 2003, which included the securing key economic and civic infrastructure in Basrah and Maysan provinces. For further detail see Operation TELIC - United Kingdom Military Operations in Iraq. Office, 8.

\textsuperscript{135}Ibid., 17.

\textsuperscript{136}Office, Freedom of Information Act 2000 Request Ref: 0669-12, 2.

bases: Shaibah Air Base, Basra Palace, and Camp Bucca. The Maysan province also had three bases: Camp Condor, Amarah Air Base, and Camp Abu Naji. Al Muthanna’s only base, As Salman North, was also under the control of the British military. Talil Air Base, which occupied 30 square kilometers of desert, 310 km south east of Baghdad and near An Nasiriyah, was in Dhi Qar. Collectively, the British military controlled eight operating bases.

The UK combat operations were complete on 30 April 2009, and all UK combat forces withdrew from the country prior to 31 July 2009. On 31 March 2009, the Multinational Division - Center absorbed MND-SE into its operating area, forming Multinational Division – South. This was followed by a transfer of responsibility from the British Maj. Gen. Andy Salmon to the US Maj. Gen. Mike Oates. UK troops in Iraq decreased significantly from 4,100 in 2009 to 135 at the beginning of 2010. The majority of personnel remaining oversaw the Iraqi Officer Education and Training program, with the aim of creating a self-sustaining Iraqi officer training capacity at the Military Academy in Ar Rustamiyah, Baghdad. This reduction in force coincided with the UK Defence Secretary’s announcement that “when our Special Forces, their enablers and temporary deployments for specific tasks are included, there are regularly well over

---

139 Ibid.
140 Ibid.
141 Ibid.
143 Ibid.
145 Ibid.
10,000 UK Armed Forces in Afghanistan at any one time.”\textsuperscript{146} Thus, as operations in Iraq ceased
manning levels in Afghanistan were able to increase. The cost of private military procurement
between 2010 and 2011, in Iraq, was £41.6 million and increased to £50.4 million at the
beginning of 2011.\textsuperscript{147}

How many British troops participated in other conflicts or deployments? At the peak of
combat operations in March 2003, the total number of British military troops deployed globally
was 74,600, 35 percent of the total force (including about 47 percent of the Army).\textsuperscript{148} British
military operations were high in autumn 2001, when some 23 percent of the trained strength was
deployed on operations and other military tasks. The UK military maintained global deployment
levels with deployments in 32 countries. This included major operations in, Afghanistan, Bosnia,
Kosovo, Macedonia, and Sierra Leone. The majority of the British military forces deployed were
in support of operations in Northern Ireland. The military continued to play a significant role in
maintaining law and order in Northern Ireland with some 15,024 troops deployed as of 1 April
2001.\textsuperscript{149}

On 9 September 2002, Tony Blair would request that 20,000 British troops be made
available for the Gulf.\textsuperscript{150} At the same time there were close to 22,180 British troops already

\textsuperscript{146}Ibid., 12.


\textsuperscript{148}The total force based on the \textit{Table 7: Strength and Requirements of Full Time UK Regular
Forces, Full Time Reserve Service (FTRS) and Gurkhas} were 213,160 total UK Regular Forces. For exact
numbers by branch of service see Defence, \textit{Ministry of Defence Annual Report and Accounts 2003-04:
Including the Annual Performance Report and Consolidated Departmental Resource Accounts (for the

\textsuperscript{149}Ministry of Defence, "Output and Deliverables,” TSO Information & Publishing Solutions
http://www.archive2.official-documents.co.uk/document/cm56/5661/chap01.htm (accessed 22 October
2013).

\textsuperscript{150}Pfiffner and Phythian, 94.
committed and deployed across the globe. With 35 percent of the total force committed in March 2003, it is clear that the use of PMCs was a viable option for the British government. It is unknown how much the British government spent on PMCs in 2002. However, the Blair administration sought to increase private contractor involvement in defense under a banner of government “modernization” and “public private partnerships,” and sought to build “upon the successes of contracting out support services that formed the basis of the early program of Private Finance Initiative (PFI).”

By 20 March 2003, the total number of British military troops deployed globally peaked at 74,600, 35 percent of the total force. Of this total, roughly 29,600 were deployed on operations other than Iraq. These additional deployments play a significant role in operational planning when considering the use of PMCs. Evidence suggests that in order to sustain operations in Iraq and other global operations the use of PMCs proved to be a more fiscally viable alternative for the UK government.

Between 2006 and 2007, the proportion of regular forces deployed on operations and other military tasks increased from just under 20 percent to 21.4 percent over the year. This

---

151 Defence, “Output and Deliverables.”

152 Uttley, 5.

153 The total force based on the Table 7: Strength and Requirements of Full Time UK Regular Forces, Full Time Reserve Service (FTRS) and Gurkhas were 213,160 total UK Regular Forces. For exact numbers by branch of service see Defence, Ministry of Defence Annual Report and Accounts 2003-04: Including the Annual Performance Report and Consolidated Departmental Resource Accounts (for the Year Ended 31March 2004), 14.

154 This total was acquired by subtracting 45,000 (the total number of military personnel deployed on in Iraq during major combat operations) from 74,600 (the total number of British troops deployed). For actual figures on the manning levels of the Ministry of Defence in 2003 see Defence, Ministry of Defence Annual Report and Accounts 2003-04: Including the Annual Performance Report and Consolidated Departmental Resource Accounts (for the Year Ended 31March 2004).

was approximately 41,922 troops deployed from a total force of 195,900 troops.\textsuperscript{156} Of this total 6,300 were deployed to Afghanistan, 400 in the Balkans, 8,100 in Iraq and 7,000 in Northern Ireland.\textsuperscript{157} By 2011, the total number of military personnel committed to operations (i.e. those forces ready to deploy, those currently deployed and those just returned) averaged at 29 percent.\textsuperscript{158} This equated to 54,056 troops from a total force of 186,400.\textsuperscript{159}

What was the size of the British Military? In 2003, the UK regular forces were at the following manning levels: 42,560 Navy and Marines; 117,000 Army; and 53,600 Royal Air Force.\textsuperscript{160} On 1 April 2009, the total strength of the regular force was at the following levels: 38,960 Navy and Marines; 111,410 Army; and 43,970 Royal Air Force.\textsuperscript{161} This shows that the total force, from 2003 to 2009, decreased by 8.8 percent since the beginning of the Iraq war. Of these figures, it is important to note that over the course of 2003 to 2009, an average of 8,000 military personnel deployed to Iraq.\textsuperscript{162} In 2011, at the end of operations in Iraq, the total strength of the British military was 186,360.\textsuperscript{163} The UK national military size is important aspect for

\begin{flushright}
\end{flushright}

\begin{flushright}
\end{flushright}

\begin{flushright}
\end{flushright}

\begin{flushright}
\textsuperscript{159} Rogers.
\end{flushright}

\begin{flushright}
\end{flushright}

\begin{flushright}
\end{flushright}

\begin{flushright}
\textsuperscript{162} Defence, Strategic Financial Management of the Defence Budget 11.
\end{flushright}

\begin{flushright}
\end{flushright}
consideration. These figures strongly suggest that the decrease in the size of a Britain’s military results in the increase in the reliance on the private security industry.

What percentage of the national budget do Ministry of Defence outlays represent? In 2003, the beginning of British operations in Iraq, the British government spent £30 billion on defense outlays, which was 9.6 percent of the total government outlays. From 2003 to 2011, the UK government steadily increased MOD spending. By 2004, the British government spent £32 billion on defense outlays, which was 9.7 percent of the total government outlays. In 2005, the British government spent £33.4 billion on defense outlays, which was 9.2 percent of the total government outlays. Defense spending remained stable at roughly £33.4 billion until 2009, when the British government spent increased to £40 billion on defense outlays, which was 8.7 percent of the total government outlays. By 2011, defense spending had increased to £44.9 billion, 8.7 percent of the total government outlays. Figure 4 illustrates a graphical depiction of UK government spending on defense outlays from 2003 to 2011.

165 Ibid.
166 Ibid.
167 Ibid.
Since the beginning of British combat operations in Iraq in March 2003, the defense spending has increased annually. Spending for the MOD, in 2013, was roughly £42 billion.\textsuperscript{169} As indicated by Stanley’s original hypothesis, private contractors should increase when budgets decrease. This data indicates something different. This data suggests that contract spending increases with defense spending.

In summary, this study has provided a single historical case which explored questions and hypotheses employed by Stanley, Clarke, and Noel. Examination of the UK government has

effectively expanded the study while adding depth and precision by testing the validity and robustness of a military conflict from a perspective other than that of the United States. Furthermore, this section used a qualitative approach to examine the validity of the supply-demand theory of a protected monopsony and to define the market relationship between the UK government and the private security industry during the Iraq War.

ANALYSIS

Hypothesis one stated that when military outlays decrease there is an increase in the use of private security. The evidence suggests that hypothesis one is not supported. From 2003 to 2011, military outlays in British pounds increased annually. Concurrently, the UK government increased funding for contracted services annually. While the actual number of British contractors operating in Iraq between 2002 and 2011 is not available, the amount spent by the British government suggests an increase in contracted support over time, while troop numbers continued to decline. Specifically, in 2004, the total number of British military troops declined from 45,000 to approximately 9,200, while spending on PMCs increased from £12.6 million to £45 million. Therefore, the data suggests that increased spending in defense allowed for the UK government to employ additional contracted support to meet its political needs while minimizing the use of troops.

Hypothesis two stated that when the size of a national military decreases there is an increase in the use of private military security. The evidence suggests that hypothesis two is supported. Since 2002, the size of the British military steadily decreased. When operations in Iraq began in late 2002, the British military had a total force of approximately 210,560 troops. The total end-strength of the British military decreased due to the shift in the UK governments

---

strategic objectives. While British troops would continue to deploy in support of global operations, the UK government put an increased emphasis on the challenges of protecting national security efficiently within the UK.

Hypothesis three stated that when the number of military disputes, engagements, or conflicts increases there is an increase in the use of private security. The evidence suggests that hypothesis three is supported. Between 2003 and 2011, spending on private security contractors rose annually with the spike in spending occurring at the completion of major combat operations in Iraq. Establishing command of the Multinational Division-Southeast and its multiple operating bases, while simultaneously conducting increasing operations in Afghanistan and other global locations, put high logistical demands on the UK government. Although the UK government has been accustomed to conducting multiple operations globally, the evolving operational environments of Iraq and Afghanistan, as well as the Ministry of Defence’s policy on integrating contracted support, reflected an increased use of contracted support. As the British military shifted its focus from Iraq to Afghanistan, contractors were a practical alternative that ensured the continuation of military operations.

Hypothesis four stated that when the duration of a military conflict increases there is an increase in the use of private security. The evidence suggests that hypothesis four is supported. Major combat operations were completed by the close of 2003; however, spending for private security contractors increased by 27 percent. As operations in Iraq approached its sixth year the British military numbers were as low as 135 troops, yet spending remained constant. While data is not available to describe the role of the private military contractors prior to 2007, it is clear that as the UK government prepared to redeploy its forces in 2009, private military contractors filled the gap in mobile guarding, static guarding, and intelligence analysis in the absence the UK military.
Hypothesis five stated that when there is a decrease in bureaucratic controls and regulations there is an increase in the use of private security. The evidence suggests that hypothesis five is supported. In 2002, there were few regulations or controls regarding the use of private military companies. While contractors operating in combat continued to gain attention throughout the war, there were no significant changes made by the British government to improve the regulation of contractors. By 2006, the Ministry of Defence had begun to generate interim policies to standardize contractors on deployed operations; however, they would not directly affect operations in Iraq. As the UK government began to transition its focus to operations in Afghanistan, there were still questions regarding the appropriate options for regulating private military companies. Accordingly, in the absence of regulation and controls there remained an increase in the use of private security in Iraq.

The evidence from the case studies suggests that four of the five hypotheses under review are supported. When military outlays increased, there was an increase in the use of private security. This shows a significant reliance on private security contracting to augment or support military operations in Iraq. The increased use of private military contractors in Iraq gained the attention of the UK government and their allies. However, it is clear that these concerns had no impact on the increased use of contractors. As operations in Iraq ended, the UK government would continue increasing its defense spending. Additionally, it would deploy nearly 30 percent of its force globally, to include operations in Afghanistan. Collectively this data helps explain the demand and employment of private contractors. Table 2 summarizes the findings.
Table 2. Summary of findings

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Stanley’s Findings</th>
<th>Clarke’s Findings</th>
<th>Noel’s Findings</th>
<th>Scott’s Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>When military outlays decrease there is an increase in the use of private security.</td>
<td>Supported</td>
<td>Not Supported</td>
<td>Not Supported</td>
<td>Not Supported</td>
</tr>
<tr>
<td>When the size of a national military decreases there is an increase in the use of private military security.</td>
<td>Supported</td>
<td>Not supported</td>
<td>Not Supported</td>
<td>Supported</td>
</tr>
<tr>
<td>When the number of a military disputes, military engagements, and militarized conflicts increases, there is an increase in the use of private security internationally.</td>
<td>Supported</td>
<td>Supported</td>
<td>Supported</td>
<td>Supported</td>
</tr>
<tr>
<td>When the duration of a military conflict increases, there is an increase in the use of private security.</td>
<td>Supported</td>
<td>Supported</td>
<td>Supported</td>
<td>Supported</td>
</tr>
<tr>
<td>When there is a decrease in bureaucratic controls and regulations there is an increase in the use of private security.</td>
<td>Supported</td>
<td>Not Supported</td>
<td>Supported</td>
<td>Supported</td>
</tr>
</tbody>
</table>

Source: Created by author
CONCLUSION

This research was framed around the question of why strategic leaders choose to substitute private military contractors for professional military soldiers. At the operational level, military planners must understand that the use of private military contractors is consistent with how governments choose to conduct war. By studying the UK government’s use of military contractors, this work was able to demonstrate that the use of PMCs is not a new phenomenon. The research proposed that the supply-demand theory would explain the increased use of PMCs by the UK government during the war in Iraq, from 2002 to 2011. The goal of this monograph was to build upon the research conducted by Stanley, Clarke and Noel. In doing so, it would further develop a theory that explains the rapid growth in the reliance on the private security industry.

Introducing the UK as a case study to understand the growth of PMCs creates a broader understanding of the supply-demand theory. The theory under examination states that the lack of sufficient national military force and increased UK involvement in conflicts results in an increased demand on the private security industry. The data suggests that while defense spending increased the size of the military steadily decreased for the duration of the conflict. While the total number of British contractors could not be surmised, there was a clear growth in spending as the policy makers chose to reduce the size of their military force. Furthermore, spending on PMCs in Iraq continued even as troop levels approached a level of insignificance. As the war in Iraq progressed, there was a gradual demand for a larger military presence in Afghanistan. This required a redistribution of professional military soldiers. When the expectation for military support in Iraq continued to increase, the UK government turned to PMCs to fill the demand. The use of PMCs allowed policy makers the flexibility to meet simultaneous global demands using both contractors and a professional military.
This study argues that when political leaders chose to reduce their nation’s military force structure, they may still face conflicts beyond their initially anticipated scope and duration. Scholars such as Kevin Clark and Steven Noel developed research that made the same assertions. Clarke collected data and observations over the span of the intervention in Afghanistan by the US military. His research demonstrated that there was a substantial reliance on private security contracting by the US to augment or support military operations in the theater. Noel collected data and observations over the span of the intervention in Afghanistan by the Canadian military. Noel’s research demonstrated that defense spending, the size of the military, number of conflicts and operations that the country is committed all contribute to the employment of PSCs. In effect, Clarke and Noel further Stanley’s original research using the same operational environment, but from the perspective of two different political actors. This could lead them to pursue similar outcomes in their research. This research differs from both Clarke and Noel’s perspective from both environment and political body. Specifically, this research used data from the UK government as well as data concerning military operations in Iraq. Perhaps the main contribution of this research is that it tests the theory, while providing a unique perspective to the total body of knowledge.

The significance of this study goes beyond simply looking at US policy by providing a different perspective on military budgeting, structure, or civil-military relations. At the time of this research, US policy makers faced real choices regarding the size of the military, while addressing fiscal constraints. The UK government demonstrated that when foreign policy problems requiring military intervention exist they are willing to substitute national military

\footnote{Stanley, 169.}

\footnote{Clarke, 42.}

forces for private security forces, especially when the government has reduced its military force structure. If the military force structure in the US continues to reduce it is likely that more state policy makers may move towards the legalization of private security companies. With allies, such as the UK, already demonstrating this trend, it is likely the PMCs will become a legitimate force provider by other global actors.

There is a clear need for further research. First, there is a need for research regarding the actual numbers of PMCs operating in Iraq from 2003 to 2011. At present, the data only provides the money spent by the UK government on contracted support. How the PMCs chose to resource their funding is unknown. Secondly, the data could be refined to determine if PMCs were exclusively supporting the UK government during the intervention. It is possible that the UK PMCs were meeting the needs of others collocated in the area of operations. Specifically, there could have been mutually beneficial occurrences; PMCs securing Forward Operating Bases (FOBs) or convoys that had multi-national partners present are examples. Third, there is a need for data regarding the UK’s experience in Afghanistan. This would provide insight to the UK government’s policy-making decisions regarding PMCs by looking at their spending in other global conflicts. Additionally, this will help determine if the events in Iraq are consistent with other choices made by the UK government. Fourth, there is a need for further research on the number of private contractors used by other nations, such as Australia, France, or Germany. Doing so could provide evidence that might further strengthen Stanley’s original theory.

It is likely that private contractors will continue to be a preferred option for policy makers and a part of the mission considerations for operational planners. It is clear that other global actors are choosing to use private contractors in the conduct of war. Therefore, private contractors will continue to change our understanding of war. Operational planners must

---

174 Stanley, 172.
incorporate this new understanding. They must leverage contractors while also avoiding atrophy concerning organic capabilities. In other words, professional military Soldiers must not allow their proficiency to deteriorate as the use of contracted continues to increase.
BIBLIOGRAPHY


Dorman, Andrew M. *Transforming to Effects-Based Operations: Lessons from The United Kingdom Experience.* Carlisle, PA: Strategic Studies Institute, 2008.


