

Chapter 2: Africa, military downsizing and the growth in the security industry

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Military downsizing: Background and context

Empirical data¹ and theoretical reflections on the evolution of warfare² suggest that the outbreak of large-scale interstate wars are unlikely in the future. The sudden demise of the Cold War – clearly an interstate configuration – has reinforced this trend and provoked a widespread downsizing of military postures. The end of modern interstate wars has not only resulted in military downsizing, but also in the development of forms of military proliferation beyond the geographical area of the battlefield. One of the most important examples of this proliferation is the current growth in the private security industry. In order to contextualise this development, certain trends which occurred before, during and after the Cold War need to be highlighted.

Historical context

Military downsizing is not a 20th century phenomenon and has mostly been associated with the end of a war. As such, the Napoleonic wars saw the transfer of military personnel of losing parties to other theatres. Hundreds of aristocratic Polish officers who had placed their hopes on Napoleon to resurrect the Polish state, ended up fighting a slave rebellion in Haiti on behalf of France. The demise of Napoleon further marked the first large demobilisations in modern times. The new order designed by the Congress of Vienna reduced the demand for the military profession in Europe. Not surprisingly, the military histories of the newly independent Latin American states reflect a corresponding influx of military officers from Europe who sought and found employment in the New World.³ The failed revolutions of 1848 and the subsequent repression led to the emigration of democratically-oriented military personnel, many of whom ended up in the US fighting in the Civil War. The Franco-Prussian War of 1870-71 pushed the defeated French into concentrating their military efforts on the conquest of what became the French colonial empire.

It was only after the two World Wars, however, that the full proliferation of military expertise, personnel, and hardware became evident in the aftermath of a conflict. As the losing party in both wars, Germany became a major source of legal and illegal, governmental and private proliferation. Most of Germany's military hardware was confiscated and either destroyed or distributed as reparation among the members of the extensive winning alliance. After World War I, strict limitations were imposed upon force strengths and equipment, which resulted in large-scale demobilisations, including that of an outsized officer corps. After World War II, Germany was totally demilitarised, a policy that was only reversed after the Korean War gave rise to the intensification of the Cold War.

It is beyond the scope of this chapter to describe the post-conflict proliferation of German military expertise and personnel in detail. However, the largely private involvement of German military personnel in Chiang Kai-Shek's China – which was at first tacitly and later openly supported by the German government – displays a number of features that can also be observed today.

In 1927, Chiang Kai-Shek expelled sixty Soviet military advisors and, in a clear political shift, attracted a large group of demobilised German officers to work for him instead. Good salaries were offered and officers with revolutionary ideals had the opportunity to be politically active. Some maintained close contacts with the German arms industry in particular. Colonel Max Bauer, was one officer who made use of this opportunity. He served for some time as armaments advisor in the USSR, and also consulted in Spain and Argentina. In 1927, he was invited by the Chinese leadership to inspect the military, and immediately became an economic advisor.

“Bauer arranged economic contacts [and] arms deals and eventually enlisted 20 more civil and military specialists ... Faced with the civil war the advisors became ... involved in military affairs, they organised a battalion of instructors, taught at war schools and laid the foundations for intelligence and counter-espionage ... In 1929 ... lieutenant-colonel Wilhelm Kriebel became leader of the consultants. He was a follower of Hitler and had participated in Hitler's failed insurrection of 1923 ... The consultants took part at the side of Chiang in the fights against disloyal warlords in Northern China and in the campaigns against the communists.”⁴

As this originally private scheme of military consulting expanded, it developed into a brokerage in which officers earned lucrative commissions, set up trading companies and finally managed to first get the *Reichswehr* and later the German government involved in China. Increasing numbers of Chinese officers, including Chiang's son, studied at the German general staff college. Eventually, the brain behind the post-1918 *Reichswehr*, Hans von Seeckt, became the ‘general manager’ of the China connection. He initiated barter trade, supplying raw materials such as large quantities of wolfram, for Germany's demanding rearmament programme.⁵ The German arms industry also won lucrative orders from Chiang's government to make use of idle capacity.

But the foreign activities of demobilised German military personnel were not restricted to China. In violation of the prohibition of foreign military relations imposed by the Versailles Treaty, German officers travelled as private citizens and were hired as military consultants throughout South America, and even adopted local citizenship to provide better cover for themselves. Most importantly, they received covert support from the Ministry of the *Reichswehr*. This undeclared foreign military policy was effective in creating markets for the German arms manufacturers. In South America, it also led the general resurgence of Germany as a trading partner.⁶ In Argentina, Chile, Bolivia and Peru, demobilised officers from Germany were particularly influential. Atatürk's new Turkey also contracted German military personnel in their private capacity.

This brief survey of the consequences of earlier post-war demobilisations suggests that the privatisation of foreign military and security relations pursued by companies such as

Executive Outcomes, Military Professional Resources, Incorporated (MPRI) and the like is not new. Their link to economic interests and access to raw materials are also not novel. However, it reflects a pattern where the demobilisation of qualified military personnel without appropriate civilian job alternatives, in combination with weak states and civil wars creates a demand for external military and strategic support.

The Cold War and its aftermath

After 1945, the Cold War and colonial wars absorbed most of the military surplus in personnel and hardware. In the case of personnel, some settled in the remaining colonies, as in the case of British officers in Kenya. Many young men from *Waffen-SS* formations of various national origins joined the French Foreign Legion, ending up in Indochina and later in Algeria. In the early 1950s, 80 000 Germans were believed to be serving in Indochina and Algeria, though many of these were younger than the *Waffen-SS* generation.⁷ Dutch members of the *Waffen-SS* were sent with the Dutch contingent to the Korean War as a precondition for regaining their citizenship. Some World War II veterans formed the first generation of mercenaries who became notorious in the early post-independence years in Africa.⁸ Only the US managed to reintegrate their World War II military personnel into a booming post-war economy. In contrast, the Vietnam War produced a number of unintegrated former soldiers who floated around the world and undertook such jobs as piloting aircraft in risky operations, transporting illegal commodities and drugs and providing logistics for right-wing insurgencies.

In the Middle East, nations such as Saudi Arabia, Oman and others have been employing foreign military specialists on leave from their national armed forces, among them Pakistani pilots flying Saudi Arabian fighter aircraft. Britain pioneered these arrangements in Oman in the 1970s for reasons of 'stealth' accountability, and many military functions have been outsourced to private American and British companies, making the Middle East the precursor of a general and increasingly pervasive privatised security phenomenon.

The end of the Cold War marked the end of a period of hypermilitarisation that affected almost the entire world. In many countries, the downsizing of the military sector had already begun by 1985 as a result of the protracted economic and financial crisis which brought the first Reagan administration's rearmament bonanza to an end. Gorbachev's propagation of global disarmament was part of a misguided attempt to save the Soviet economy by reducing its military burden. However, the implosion and dissolution of the Soviet Union set off a chain reaction of military downsizing which eventually reached most parts of the world. The process was somewhat slowed by the Gulf War, and the trend became only apparent in South-East Asia when the region was hit by the present regional economic crisis.⁹

In Africa, the implications of the end of the Cold War are clearly shown in arms procurement figures. They reflect the downgrading of sub-Saharan Africa on the foreign/military policy agendas of the leading powers who were the main suppliers to and paymasters of the region's military posture. At the height of the Cold War, sub-Saharan Africa absorbed military equipment worth more than US \$5 billion in some years, or up to fifteen to twenty per cent of

the value of the region's exports. By 1995, recorded values were estimated at only US \$270 million for arms transfer deliveries.¹⁰

The diminishing volume of arms procured by the region indicates that the military went through an internal and external repositioning. With the exception of South Africa, military equipment is increasingly confined to cheap infantry weapons, with air forces and navies merely equipped with the essentials, if at all. No government seems to be able to draft more than minimum budgets which cannot provide for the regular replacement of existing stock. Other influences were also clearly at work, as the reversal of trends precedes the end of the Cold War.

Belligerents in the region will have to manage with the equipment inherited from the Cold War period, with the exception of small arms which are affordable and readily available on the black market. Since the volumes of hardware supplied during the 1970s and 1980s were unequally distributed throughout the region, the military level of warfare will be determined largely by what remains in operational condition in each conflict arena. Angola and Ethiopia alone absorbed almost two-thirds of the regional arms imports calculated at US \$33 billion between 1984 and 1994. While Ethiopia virtually ceased to import arms after 1990, Angola's arms imports alone since 1991 comprise almost half of the regional total.¹¹

One of the most profound effects of the end of the Cold War has been the reduction of, among others, direct US government involvement in African affairs. "*The United States ... switched to policies which emphasised the role of non-state activities such as those of private companies or civic associations.*"¹² Direct US aid moulded Africa's political landscape throughout the Cold War, and not necessarily in a favourable way, as is documented by the main countries receiving aid at the time: Sudan, Zaire, Kenya, Somalia, Ethiopia, and Liberia.¹³ Africa had suddenly lost its strategic significance for the great outside powers; the Soviet Union disappeared altogether. This state of affairs was further exacerbated by the general displacement of state-to-state relations as a result of globalisation.

The end of the Cold War also saw new transnational organisations acquiring significant power resources as the industrialised countries themselves underwent a process of institutional restructuring. These organisations took over the external relations with Africa. Foreign aid is a case in point: it became mostly privatised even though United Nations agencies started to play a larger role in the provision of aid. This hardly represented a small-scale retreat by the state, for aid generally amounted to roughly ten per cent of regional GNP. Transnational corporations such as Lonrho and Bridgestone became direct political players in East Africa and Liberia respectively, while external non-governmental organisations (NGOs) were effectively privatising diplomacy and acting as mediators in armed conflicts, such as the Catholic groups in Mozambique in 1992.¹⁴

Africa and demilitarisation in the 1990s

Throughout the Cold War, much of the military build-up in sub-Saharan Africa, including that of insurgent forces, was the product of non-requested arms transfers from outside the continent,

if only as credits that were written off. Today, military spending in sub-Saharan Africa accounts for less than one per cent of global military expenditure and continues to fall.¹⁵ South Africa alone still spends more than forty per cent of the regional total, although cuts and general downsizing have reduced South Africa's military expenditure during the last ten years from 4,6 per cent to less than two per cent of gross national product (GNP).¹⁶ Since military transfers into the region have become purely commercial transactions, diminishing military budgets reflect only part of the actual military downsizing.

On a global scale, the manpower absorbed by military activities is also declining. The Bonn International Conversion Center (BICC) has calculated that the world's armies shrank by more than six million soldiers from the peak in 1987 to 22,7 million at the end of 1996.¹⁷ Sub-Saharan Africa failed to follow this trend, however, and maintained some 1,1 million soldiers under arms during the 1990s. In some countries, South Africa in particular, part of the armed forces has been demobilised, while numbers have apparently increased in regions afflicted by continued armed conflict.

In the sub-Saharan military context, such aggregated figures explain little, however. Not only are the available statistics notoriously unreliable, but more importantly, the delineation of what should be considered as armed forces is ambiguous, as many countries have seen a proliferation of a variety of armed formations in recent years. Presidential guards, often better paid and equipped, are a case in point.¹⁸ Sometimes, it is also unclear whether state formations have been appropriated for private interests or whether private formations have come to substitute government functions. In any case, the functions of the military in sub-Saharan Africa do not reflect the clear separation between internal and external security which is normally represented by the police and the military respectively. The logistical capacities of the national armed forces often do not cover the entire national territory, and operational equipment seldom amounts to more than small arms and the most basic infantry equipment. Many observers attribute the relative absence of interstate wars in sub-Saharan Africa to the inability of most armed forces to conduct such operations.¹⁹

In general, the attrition of weaponry exceeds replacements by a large margin. Imports of major conventional arms in sub-Saharan Africa in 1997 amounted to 0,5 per cent of the world trade in weapons. On average, the region imported weapons to the value of US \$243 million each year during the period between 1993 and 1997, the lowest average figure since 1960. Only Angola, South Africa and Nigeria imported major weapons valued at more than US \$100 million during the last five years, with Angola leading the group with US \$185 million. SIPRI claims that, between 1993 and 1997, 144 tanks, 352 armoured vehicles, eight combat aircraft, eleven helicopters, 54 pieces of artillery and fourteen transport aircraft or helicopters at most were imported by countries engaged in conflicts in the region. All of the imported systems were relatively unsophisticated and most were second-hand.²⁰ According to SIPRI, however, these imported weapon systems did not play a significant role in the conflicts.

In South Africa, the armed forces of the apartheid regime constituted the dominant military in Africa. They fought permanently undeclared interstate wars, based on a doctrine designed to pre-empt the assumed 'total onslaught'. As a result, the current downsizing of South Africa's military has not only released experienced military personnel with intimate knowledge of

other countries in the region, but the country also has to cope with an oversized intelligence apparatus that covered much of the continent. This heritage is both a burden and a boon for the ANC post-apartheid government as it tries to come to terms with its new role on the continent. On the one hand, the intelligence assets inherited from the apartheid state could assist in the country's self-assumed role as conflict mediator and peacebuilder. On the other, these persons, contacts and their activities are uncontrollable, with intelligence networks potentially abusing their knowledge and networks throughout sub-Saharan Africa. The result could be practice that is clearly not in South Africa's best interests or even commensurate with its declared policy.

The continuing French military reforms are also contributing to regional military downsizing. The more than 8 000 prepositioned troops present in six countries until recently – Senegal, Côte d'Ivoire, Djibouti, the Central African Republic, Chad and Gabon²¹ – are being reduced by a further 2 000 soldiers. Given the superior equipment of the French troops in an African context and their linkage to rapid reaction forces stationed in France, the reduction of the French posture in sub-Saharan Africa represents a substantial alteration in the African military equation. However, the often miserable state of many armed formations in sub-Saharan Africa has been illustrated whenever the intervention of a hundred or so French soldiers has sufficed to quell disturbances²² and to shift the balance of power mostly in favour of the entrenched Francophone élite.

The downsizing of the military sector in sub-Saharan Africa, therefore, has a quantitative and a qualitative dimension. Taken together, these have resulted in what is effectively a military vacuum across large parts of sub-Saharan Africa. In addition, states have often yielded the monopoly of legitimate violence, because police forces are in an equally disastrous condition. Yet, the evolution of a political consensus and the availability of the necessary means to rebuild legitimate and efficient forces are clearly not in prospect.

Downsizing is not a one-way process. External intervention supported by a moderately efficient military force becomes a tempting option in the context of a relative military vacuum, especially if a clear and realistic objective is at stake and a new coalition of external and internal interests can be forged. Angola's partisan support in neighbouring countries, which aims at cutting off the logistics lines of UNITA, is a case in point. In this context, it should also be noted that the training of officers at military academies in France, the US, Britain and Israel, among others, continues unabated, with at least 2 000 officers receiving advanced education and training abroad every year.²³ In addition, the rapidly increasing number of joint military exercises between the US and individual African states indicate that there is a tacit competition between outside powers seeking to link up with African armed forces by planting potential liaison officers. Finally, the option of filling the military vacuum selectively with an emerging private security industry is a possibility, not least because the US and other Western governments are condoning, if not actively supporting, the acquisitive strategies of the private security industry in sub-Saharan Africa.²⁴

A further consequence of the strategic relocation of Africa, which heralded major changes in the region, is the reduced significance of international borders. After thirty years of tacit

agreements sanctifying the arbitrary borders of African states inherited from colonial times, there are many indications of future changes in the borders within the region. The secession of Eritrea may just have been the harbinger of a new geopolitical order.

Unlike the Eritrean case, any possible restructuring of the region's political geography will not necessarily follow the European model, where most actors worked towards forming homogeneous nation-states throughout the late 19th and early 20th century. Instead, in the age of globalisation, control over commerce has become the key demarcation of political power, especially when trading in the global market.²⁵ The classical nation-state may therefore be relegated to a back seat in the reorganisation of Africa's political economy and the ensuing new continental map. The major powers are not likely to defend the territorial *status quo* provided that their interests are not endangered by the changes.

In purely military terms, large parts of sub-Saharan Africa now constitute such a vacuum into which the infusion of a small well-organised external force can tip the balance in ongoing confrontations. However, state structures have collapsed in many cases to such an extent that a military victory is unlikely to have any impact on levels of social violence, social fragmentation and the criminalisation of the economy. Nevertheless, in the absence of an alternative, the hiring of external military force to achieve political ends always remains a temptation in the destitute environments which make up so much of the region.

The economic crisis in Africa and the downsizing of the state

The outside world seems to have come to terms with Africa's economic plight. Until recently, increasing volumes of humanitarian aid compensated for the lack of a more serious commitment to overcome the economic crisis – represented by ever-mounting arrears in debt repayments – which afflicts most of the states in sub-Saharan Africa. Even in cases where gross human rights violations occur, the outside world has opted to ignore these, and refuses to intervene. Almost twenty years of structural adjustment programmes, sponsored by the World Bank and the International Monetary Fund (IMF), have failed to alleviate Africa's economic plight, which continues to be characterised by extreme levels of aid dependency, insupportable levels of foreign debt, and decaying infrastructure.

However, it would be wrong to conclude that there were no changes, based only on the obvious fact that very few, if any, economic improvements were achieved in some countries, and that many countries have experienced a steady deterioration. On the contrary, the character of the sub-Saharan state has changed in response to the pressures of structural adjustment policies and the paradigmatic changes of development aid.

The first long period after independence saw an élite retaining power by means of systems of patronage which incorporated a self-defeating logic of continued expansion.²⁶ By the second decade of independent statehood, available resources were exhausted and development aid and its manipulation became the main sources of patronage. Not surprisingly, such political systems revealed a strong link between the disposition of economic benefits and the achievement of political stability. The élite remained the absolute

arbiter over external economic relations, which allowed them to exploit not only the Cold War competition, but also the political rivalries among donor nations. In Francophone Africa, it was also possible to call on French troops to quell opposition forces and protect the incumbent élite.

The increase in foreign debts during the 1970s paved the way for international pressure on African governments to accept structural adjustment programmes designed by the IMF and the World Bank. It was held that inflated and inefficient state bureaucracies were the main causes of Africa's economic malaise and that allowing market forces to operate freely would set the continent's economies on the right path. After more than a decade of these programmes and debt rescheduling exercises, however, most low income countries still face inaffordable debt obligations.

While these failed restructuring programmes were in progress, African states still needed the resources to govern their own territories, despite the fact that they were losing their legitimacy in international and domestic spheres.²⁷ The ensuing downsizing of the state also did not necessarily eliminate the incumbent élite. They were often able to manipulate the enforced privatisation of the most valuable assets and acquire them at bargain prices,²⁸ in a process similar to the notorious *nomenclatura* privatisation in Russia. The expected elimination of corrupt systems did not materialise. Instead, an empirical survey on the state of corruption concluded that, "... we discovered the rise of a 'new corruption', rooted in the logic of economic and political liberalisation, reflecting the activity of rapacious local elites no longer subject to the domestic and international constraints of the Cold War era and increasingly pervaded by criminal or 'mafioso' forces."²⁹

Most importantly, this period was characterised by a cumulative externalisation of state functions. Some observers have called the process 'recolonisation', although the ideologies behind this transformation are distinct from the motives behind Africa's conquest in the 19th century. Numerous aid agencies also adopted this new paradigm. They boldly bypassed the arbitration of the recipient state and imposed their own respective philosophies, often in collusion with former bureaucrats turned into non-governmental receptacles of aid. "*The capacity of African governments to manage the connections between their own societies and the outside world was consequently reduced or even extinguished, and instead such connections were taken over, to the extent that they were sustained at all, by external agencies operating on their own account.*"³⁰ These NGOs were active in every field, from famine relief and human rights monitoring to wildlife protection.³¹

The important political implications of this change are often conveniently overlooked. In the first place, external actors should share the responsibility for the continued regression of most economies in the region.³² Failed development projects, the accumulated debt burden, and the grip of the élite over valuable assets to the detriment of the population at large are the products of decisions which were long since predominantly externalised or in which external actors at least had a veto. Secondly, as the United Nations Conference on Trade and Development (UNCTAD) correctly points out, economies in regression are prone to state failures or even collapse, as well as internal conflicts. These can result in complex emergencies, which are highly contagious and not restricted by borders.³³ Thus, any complex emergency can no

longer be dealt with as an isolated case, as an entire region is often in danger of being drawn into a downward economic spiral.

Finally, while liberalisation and democratisation continue to be offered as panaceas, the state is virtually being hollowed out with little or nothing left for democratically-elected politicians to decide, because the major state functions have long since been externalised. As a result, African states are in a process of being steadily converted into hollow façades, behind which international agencies and actors are running the economy, mostly in collusion with the local élite-turned-entrepreneurs. This process has been dubbed ‘the project of external governance’.³⁴ Military functions and security services are simply the latest additions to the list of state functions that are increasingly being externalised and often privatised.

Privatisation and the criminalisation of the state

Most states in sub-Saharan Africa appear to be moving along similar paths in varying degrees, at the brink of state failure. The inherent expansion of clientelistic political systems requires a steady flow of additional resources which the élite must appropriate in order to stay in power. Hence, clientelism carries steadily increasing costs. This trap, which constantly confronted the élite in control of the state, was reinforced by international pressures to accept the need for the structural adjustment of economies burdened by inaffordable debts.

Under pressure of adjustment, the incumbent élite often abandoned their social obligations and concentrated on safeguarding their economic fiefdoms, while duly paying lip service to the imposed financial regime.³⁵ As more and more core functions of the state were outsourced to foreign contractors in order to comply with the dictates of the international financial institutions – such as the profitable trade certification to the *Société générale de surveillance* – the incumbent élite expanded their activities into informal parallel networks with the aim of maintaining their controlling stake. This move, labelled as the “*creation of a shadow state*,”³⁶ has provided the élite with continued control over exploitable resources. An American scholar’s assessment is even harsher: “*In a number of countries, the state is slowly being merged into a web of informal business associations instituted by rulers who have little interest in carrying out the traditional functions of the state and who do not recognize or respect boundaries, while enriching themselves through trade.*”³⁷

The failure of the formal state as a normative authority made the informal settlement the norm, arbitrariness the rule, corruption a political philosophy, and shrewd double-dealing the only means of existence.³⁸ The *nomenclatura* privatisation of the state sector demonstrated that market forces were incapable of taking over the regulation of the economy from the well-entrenched informal networks. Privatisation simply reallocated the “*economy of pillage*” into less accountable, by definition almost shady or illegal spheres.³⁹ In search of new resources, these economic networks expanded into international criminal dealings and transformed parts of sub-Saharan Africa into an important hub of the global drug trade.⁴⁰ Money laundering and financial fraud became viable industries in the region.⁴¹

The élite networks maintained their leverage at the price of relying increasingly on violent coercion, while the cannibalisation of all public goods became the rule.⁴² Rent-seeking continued to expand alongside the growth of illegal activities and an influx of dirty money. Violence as a mode of economic regulation penetrated an increasing number of economic spheres and thus prepared the ground for an escalation of armed conflict and anarchy.⁴³

The ensuing structure of economic, financial and political power increasingly deprives the formal state of the means with which to carry out even its minimum functions. The extensive community of public servants which expanded under the patrimonial state is now being denied and relieved of its income. The state fails to pay salaries regularly, if it does so at all. Rampant inflation, often caused by criminal fiscal manipulation such as bringing printed money into circulation on behalf of kleptocratic leaders, has devalued public salaries to such an extent that office-holders must either extort illegal fees for their services or moonlight in the private sector or the informal economy. As a consequence of structural adjustment policies, the formal state has lost its attraction for the rent-seeking élite; they withdraw their allegiance and abandon their former power base without remorse.

The police and the military are not spared from this absolute weakening of the state and the resulting privatisation of its functions. In all but name, the effects on all armed agents of the state in many countries can be described as demobilisation in slow motion. The rules on which a market economy is based, are no longer enforced. On the contrary, the public security forces either sell their services to an oligarchic group or live on some form of extortion themselves. In response to the resulting general insecurity, all social actors take up their own defence against criminality. This privatisation of security polarises society, because security is converted into a commodity. It can either be purchased in the regular economy from a private security company, in a grey area by buying off state agents, in the informal sector by militianisation, or in the criminal sector by paying a racketeer. Once violence has begun to regulate economic transactions, the search for security becomes a major occupation as it is a functional precondition to the successful conclusion of any transaction. An escalation in private security providers is the logical consequence, which eventually takes on the dimension of an internal arms race encompassing mainly small arms. The productivity of the economy, including the criminal and informal sectors, rapidly contracts further because of cumulative transaction costs related to security.

It is but a small step from such a condition in a society to the outbreak of armed conflict, from a criminalised economy to a war economy. In both cases, security is the major concern and violence a principal means to achieve mainly economic objectives. While demobilisation is typically associated with the end of armed conflicts, it is argued here that many weakened states are faced with the *de facto* demobilisation of their armed agents even without an open armed conflict coming to an end. In the process, security personnel, both military and police alike, transform themselves into private instruments of violence, offering their services to the highest bidder either as moonlighters or full-time, notwithstanding the criminal character of the services required.⁴⁴ Alternatively, they enter into the world of pillage, looting and extortion. Thus, post-conflict demobilisation is not so much a unique circumstance. This should not come as a surprise, because the principles of economic circulation in most of the sub-Saharan region remain the same in war or peace.⁴⁵

The organisation of security in weak states: The case of sub-Saharan Africa

*“The notion that Africa was ever composed of sovereign states classically defined as having a monopoly on force in the territory within their boundaries is false. Most colonial states did not make any effort to extend the administrative apparatus of government much beyond the capital city ... After independence, African countries did try to extend the administrative reach of the state, but were always more focused on the urban populations.”*⁴⁶ The façade of sovereignty was maintained throughout the Cold War and held up by the unconditional support for essentially dysfunctional states whose territorial composition was neither based on economic or ethnic cohesion, nor on a democratic consensus.

The armed forces played an important role in maintaining this façade either as arbiters over élite factions or the foot-soldiers of entrenched leaders. But the ‘military balance’ between the state and society has changed profoundly. At independence, the state was basically in full control of all the weapons on its territory. This is no longer the case, because states have atrophied further⁴⁷ and weapons spilling over from armed conflicts throughout the region have begun to circulate virtually uncontrolled, allowing societies to arm and challenge the incumbent élite.

As Africa’s armies seem to melt into a new privatised security order dominated by oligopolistic groups, a short review of the evolution of armed forces will help in understanding the process.

Africa’s armed forces are basically colonial institutions which served to police the empires, but were also enlisted as cheap cannon fodder during the two World Wars and, in some cases, in colonial conflicts elsewhere. The pattern of colonial recruitment exploited existing group rivalries, so that the respective territorial populations were never proportionately represented in the colonial regiments. At independence, the colonial military personnel formed the army of the newly independent state. They became the most visible expression of sovereignty. Underrepresented groups, however, could not identify with this national ‘symbol’. Furthermore, the armed forces were burdened by their image of colonial coercion.

Post-colonial interests and the dictates of the Cold War opened the military academies of the foremost military powers, such as the People’s Republic of China and Israel, for African officers. Eventually, competition among the major powers to dispose of military surplus and new arms extended to the procurements of Africa’s armed forces as well. But these weak economies hardly permitted the operational maintenance of the cascading surplus of equipment, except for the large stock of rugged light weapons.

The incumbent élite had a strong interest in leaving the inherited borders untouched, since their position depended on the maintenance of the *status quo* and the pretence of heading a nation-state.⁴⁸ This predilection combined with resources that were too limited to maintain armed forces capable of fighting cross-border wars.⁴⁹ However, if an armed internal conflict was dubbed to be a surrogate war, the fighting parties were stocked with military equipment,

often beyond realistic requirements. This left huge surplus stocks at the end of those wars which were bound to be offered on black markets, because the regimes were unable to sustain an orderly demobilisation. Instead, armed formations often fragmented into autonomous units that appropriated the military property of the government to generate income wherever an outlet could be found. As already mentioned, these weapons now flow freely throughout Africa in search of effective demand; the prices are volatile, but arms often sell well below the production price.

In general, the armed forces of sub-Saharan Africa were eager to adopt the role of symbolic guardian of the nation, charged with the task of external defence. This explains the many jet fighter aircraft that were procured during the 1970s, despite the absence of any defence doctrine to justify such acquisitions. Sophisticated weaponry was seen as a way of not being drawn into internal security. However, the armed forces never managed to desert their colonial role and were often exclusively engaged in internal security, particularly as general economic conditions deteriorated. At the same time, professional standards declined along with the social status of the military, not least because military budgets were shrinking and often misappropriated.

The general economic decline led military personnel to seek additional sources of income to supplement their meagre and often irregular wages. Moonlighting in the private security industry is among the more benign alternative activities. However, rackets and other predatory behaviour turned the military institutions of a number of countries into a scourge permanently haunting the civilian population. Marchal depicts the ensuing confrontational dynamics between the dispersed military formations and the society at large as “*double militianisation*.”⁵⁰ This reflects a process of de-institutionalisation which draws the procedures of hierarchical and bureaucratic functioning into question and transforms entire units of the armed forces into bands who receive the main part of their income not through their allegiance to the state, but through the confiscation of resources belonging to the public and through theft from civilians. This provokes a reflexive organisation on the civilian side and marginalises the authority of the state and its monopoly of violence in the national security equation.

Kleptocratic governments prolong their survival by proliferating the coercive forces of the state. The creation of a presidential guard is often the most visible step, but other specialised security services may also be created to keep any challenges to their power at bay. These formations are likely to be better equipped and paid than the usually neglected armed forces, but may also face sudden dissolution if they no longer fit into the security equation of the ruling élite.⁵¹ In the terminal stages of state atrophy, special forces protecting the ‘Big Man’⁵² are sometimes remunerated out of the privy purse of the incumbent to ensure their allegiance.

In countries involved in protracted civil wars, the insurgent army has often also benefited from intensive military training abroad. This is not without some relevance for downsizing and demilitarisation procedures, because this training was based either upon Maoist guerrilla doctrines or right-wing destabilisation manuals, depending on the patron. In the northern part of the region, former volunteers from the war in Afghanistan are said to transfer what they learned during their destabilisation training with US special forces.

The final addition to the potential surplus of personnel with military experience are children. Thus, no matter whether large-scale demobilisation after conflict or a pervasive slow motion demobilisation characterises the scene, the emerging private security industry in Africa and the criminal sectors of the economy alike can draw from a labour market oversupplied with a wide range of military experience and expertise.

As if this were not enough, the continuing debate on how to cope with violence in Africa generally ignores the problem that police forces are also in a miserable shape. Social science has given surprisingly little attention to African police forces, in stark contrast to the large body of literature on the role of the military. *“When the police are discussed, it is usually in relation to the military, compared to whom they are seen academically as the poor relation: lower in status, educational level, resources and discipline, and less prone to political intervention.”*⁵³ During the Cold War, the way in which political leaders were policing their country scarcely mattered, as long as the regime was not in danger of being overthrown.

The police forces in most African countries are of colonial origin and are run as quasi-military units.⁵⁴ They are therefore by definition badly prepared to function as a modern police force, in other words, acting pro-actively.⁵⁵ In spite of significant differences in the political evolution of African states after independence, their police forces share many characteristics.

*“The salient features of policing across a number of African states are its low status, paramilitarism and propensity for violence. In turn, the features of existing African police systems are that they are generally organized as a nationally-unified, vertical body with a centralized force directed from the top, but whose divisional administration units are divided into regional, district, station, sub-station, and police-post levels.”*⁵⁶

In spite of the marginal formation of their forces,⁵⁷ police officers are typically endowed with extensive discretionary power that serves, among others, as an invitation to treat different groups of citizens unequally. In fact, most police forces became notorious for corruption, greed, violence, weakness and partiality. The population have come to perceive the police as part of the (security) problem and not as a solution. Compared to the armed forces and other special coercive units, the police have been of little importance to the ruling élite. They have felt more threatened by the likelihood of an insurgency or a *coup d'état* and accordingly focused on the military and special forces in which they could have confidence. Proper policing of the society at large was not their priority.

The weak state structure and extremely low remuneration pave the way for the inevitable deterioration of policing in the context of fragmenting states. The police increasingly turn towards illegal but lucrative activities. What has been described as *“sobels”* in Sierra Leone⁵⁸ – soldiers who turn rebels at night – has its equivalent in *“pobers”* – police officers who turn into robbers at night and at other times. The syndrome of predatory policing is widespread in Africa and not restricted to war-torn countries. In Kenya, this expression of social fragmentation seems to fester in extremes.⁵⁹ Kenya provides a case of direct colonial lineage in the organisation of the police; it also demonstrates that extreme social fragmentation and formal democratic procedures can coexist.

The emphasis of policing systems in Africa is towards the order-and-control end of the spectrum of police functions rather than justice and crime prevention.⁶⁰ At the same time, the distinction between state and government has little tradition in African political systems. Security means principally regime security. Governments usually appropriate state organisations. Police and military functions are not properly separated, riot control and counterinsurgency are not distinguished. The control of resources, patronage, and the means of coercion come into the hands of privileged individuals, and are methods of political reward.⁶¹ The next step – the quasi-privatisation of the state, as in the former Zaire⁶² for example – is but a matter of degree: the path is prepared almost everywhere.

In fragmenting states, the coercive agents, mainly the police and the military, no longer provide security. Physical security often decreases dramatically, because the police and the military act locally on their own and become robbers and slobbers, at least for part of the time. “*Some form of localised protection becomes necessary because physical force (rather than ‘traditional’ moral authority) provides the only possible basis for creating limited stability in conditions of societal breakdown.*”⁶³ If the state fails, as was the case in Somalia or Liberia, there is no civil order to enforce or maintain, and consequently there is no role for the police.⁶⁴ Under these circumstances, police personnel will focus on personal reproduction and survival, which is not necessarily a predicament for increased violence. It merely marks the final dominance of a general private rearmament process which takes many different forms, from the local strongman who has the potential to become a warlord during conflict escalation to the international private security firm selling protection. The society turns into a web of competing militias. In the process, the perception of insecurity suffices to feed the escalation that explains the difficulties to reverse this dynamic and reinvent a state which commands the monopoly of legitimate coercion.

Thus, policing takes on new private forms. Vigilante groups and militias can be seen as a form of social adaptation to a major failure of the state security equation. The reconstruction of a legitimate state will have to account for existing social policing and transform this into accountable formations. But this requires an understanding that the absence of state policing is not identical with chaos and an absence of policing. Or as Hills emphasises – referring to the “*web of radically privatized, quasi-vigilante security arrangements [which] provide reasonable deterrents to crime ... policing exists in Somalia (as in most fragile and fragmented states) as an activity, rather than as an organisation.*”⁶⁵

The evolution of the private security industry: Its impact in the region

The apparent emergence of the private security industry is not entirely new. It has been pointed out repeatedly that international commerce itself was alone responsible for its security for long periods. The East Indian Company paid for its own ‘army’. Only at the zenith of the imperial age did states begin to shoulder the cost of maintaining the public order required to exploit the colonies. In the 19th century, large business concerns were separate dominions with their own police forces. The eventual preponderance of public law is an achievement of

the early 20th century. Finally, the worldwide mining and oil industries were always known to employ special protection forces, a fact which is not surprising, as they often penetrated into territories lying beyond the functional perimeters of modern states where traditional social formations were disturbed, if not destroyed. Although there are many parallels between the current activities of the private security industry in sub-Saharan Africa and private coercive forces in previous periods, they shall not be dealt with here except where they are directly related to massive demobilisation, as was the case with the German-China connection discussed above.

Instead, this analysis departs from the hypothesis that globalisation and the current global changes to the security equation – away from the state towards private spheres – are also bound to determine the security order in Africa. The debate about weakening states losing their legitimate monopoly of coercion juxtaposes ongoing changes and the regulation of violence in the constitutional welfare-state whose historical climax was represented by the social-democratic era in Western Europe during the 1970s. At no time and in no other region did social reality come as close to this ideal model of democratic equality.

It goes without saying that the prevailing security order in sub-Saharan Africa never came close to this European constitutional model, however much the leaders of the first hour of independence had copied and paid lip service to it. On the contrary, the dominant form of regulation in the region has been classified as neo-despotic.⁶⁶ The neo-despotic form of regulating violence is characterised by a state whose radius of influence is restricted to urban concentrations. Its jurisdiction over its subjects is rather limited. The resources of neo-despotic states have but two main sources: customs receipts and foreign aid. The state acts arbitrarily through local brokers; a rational bureaucracy does not exist. Instead, the bureaucracy turns into an unstable web of personalised relations. This implies that all political and administrative functions are based on personal relations forming a concentric circle around the ‘big man of the day’ or president. The state is effectively transformed into their booty and loses its legitimacy. The important feature of this form of regulation in the context of the privatisation of security is the absence of an efficient public control over violence. Hence, such systems are characterised by a complex web of security and self-defence arrangements, on the one side, and the pervasiveness of certain forms of violent crime such as arms smuggling, predation, and banditry, on the other. It is against this background that the impact of the trend towards the privatisation of security in sub-Saharan Africa must be explored.

The growth of the private security industry (PSI) gathered speed in the early 1980s and has accompanied the triumphant march of neo-liberalism. Since then the growth rates of the sector are well above the average in industrialised countries – eight per cent annual growth – virtually exploding in transitional countries – twenty per cent annual growth – and in most parts of the developing world – ten to thirty per cent annual growth.⁶⁷ So far, the growth of the sector has been counter-cyclic. In other words, economic and political crises fuel the demand.

The expansion of the PSI has three dimensions. Security activities which until now, have been the preserve of the state are being privatised – prisons, patrolling and so on;⁶⁸ citizens,

economic actors in particular, are rapidly increasing their demand often for new types of security and intelligence services from the PSI;⁶⁹ and in a climate of perceived insecurity, the commodification of security through infrastructural investments and applications of modern high-technology is spreading pervasively.⁷⁰

In this process, the state cumulatively loses its role as a guarantor of security, and individual security becomes a function of disposable income. The changes in the social fabric include major transformations of the social geography with deep social segmentation. Public space turns into commercial centres and private confines, sometimes in the guise of private business districts financed through 'private' taxes.⁷¹ Gated communities spreading rapidly in the US, in capitals of the developing world, and in transitional countries are the most visible manifestation of this trend. While the well-to-do social strata opt for self-ghettoisation and give notice to the social contract of the constitutional welfare-state,⁷² criminal energy directs itself against the poorer strata of the society living in an apartheid of poverty without the economic resources required to seek protection through the PSI. The polarisation between no-go areas for the public police and the appropriation of public security services by the middle and upper classes is also reinforced by corporate sponsoring of local police forces.

The boom in the PSI has a self-promoting effect. The visibility of its activities nourishes perceived insecurity, no matter what the real crime situation, which feeds back into the growth of the sector. Individual arming, permanent supervision, bodyguards and so on mark the escalation towards an oligopolistic-preventive regulation of security and a gradual end of the state monopoly of coercive violence.⁷³ The new order translates economic inequality into the social inequality of security.

Outside the barricades of the wagon laager, an order based on violence develops. Self-defence groups, youth gangs and drug cartels compete for territorial control. In the apartheid of poverty, violence becomes an integral part of the emerging cultural ideologies which claim to protect group identification and self-respect. Religious sects and reactivated or even invented ethnicity⁷⁴ are among the vehicles of communitarian defences in deeply fragmented societies. The sharp borderline between the segregated spheres reinforces the prevailing trends on both sides and promotes the ideological foundations of the internal security race which is, in fact, an arms race. Not unlike the former strategic bipolar arms race, it absorbs enormous economic resources and creates jobs in the regular and the illegal economy which, however, do not add to collective welfare. The extension of this race into the informal and illegal sectors of the economy marks a major difference between the former state-centred bipolar world and social polarisation in the age of globalisation with its neo-liberal privatisation and international externalisation of state functions.

The analysis so far clearly shows that the growth of the PSI is a civilian trend and that there is no direct causal linkage to the massive military demobilisation accompanying the end of the Cold War. However, the availability of trained personnel in certain contexts fitted perfectly into suddenly emerging markets. Russia is a good example where the PSI was allowed to move into entirely new fields much closer to military tasks than its traditional area of activity.

The PSI is not a capital-intensive sector; it works mostly with cheap labour. Until a few years ago, the sector was characterised by thousands of small companies. But a rapid transnational consolidation of the industry is presently taking place. Among the reasons for this concentration is the poor reputation of a sector which often brings crime from within.⁷⁵ Private security companies also present themselves as ideal covers for criminal organisations and racketeering.

The social capital of large international companies allowed them to increase their global market share rapidly. Borg-Warner, Pinkerton's Incorporated, Wackenhut, Securitas, Securicor, G-4, and ISI are among the big players. But other more specialised companies have arrived on the scene, taking advantage of new opportunities in strategic consulting, military training, operational support and logistics, armed protection and, in some cases, also military operations.

The latter category relies heavily on demobilised personnel from special forces and on specially qualified military officers. The former Executive Outcomes, Defence Systems Limited (DSL), and MPRI are the icons of this new category.⁷⁶ The present circumstances in Russia are a prism of all post-Cold War trends in the PSI. While the government recognises some 5 000 firms in the sector employing 155 000 people, independent estimates put the figure between 800 000 and 1 200 000 plus 200 000 employed by small companies without a licence. These figures compare with roughly 500 000 police-related personnel. On the basis of this estimate, conditions in Russia have caught up with the US where the ratio is three private security officers per one police officer. Inadequate pay and low prestige in the state sector have allowed the PSI to lure the brightest and the best from among the military police and the extended security apparatus. It is estimated that seventy per cent of officers of the infamous KGB who have quit before the age of retirement, have entered the PSI. Russian corporations and banks often have their own security branches, for example, Gazprom's security service alone employs 20 000 men. The Russian PSI provides all services from bodyguards, intelligence and counterintelligence to plant protection and the transportation of valuables.

Foreign firms said to have entered the market in partnerships are, among others, Kroll, Control Risks Group, International Security Services and DSL. A particular feature of the Russian PSI, typically found in weak states, are the government agencies which hire out their services to the highest bidder in an unending quest for resources and payment. And the PSI pays four to six times the salary of a government employed security officer.⁷⁷ Finally, many firms are front operations of the *Mafiya*, though some may be moving from open racketeering to formalised protection.

In Russia, a society fragmenting with frightening speed and a government with little legitimacy make it almost impossible to draw clear lines between the state and private sectors, and between crime and the wilderness of early capitalist appropriation. There are no indications, however, that the mushrooming of the PSI has contributed to an improvement of security or to a reduction in crime: armed violence booms and smuggling is rife. The PSI and crime seem to be interdependent variables heading for further growth.

One result of the impudent appropriation of state property in the former Soviet Union is a large number of air transport companies prepared to provide logistical support worldwide with

military transport planes, not only in regular markets. The availability of cheap demobilised, but experienced personnel in combination with weak state controls make these companies, typically registered in some distant tax haven, the preferred choice for illegal transports worldwide, including the logistics for current conflicts in Africa. There are reports of other military services, for instance maintenance, being carried out by demobilised former Soviet military personnel. It is probably because of the cultural distance and the lack of international experience among demobilised Russian military personnel that Russian firms have not entered the market of comprehensive private military services until now, except as subcontractors for security firms operating in Africa.

Outsourcing of foreign military policy to military advisory and training companies appears to mark a trend which was led by the US and gained momentum after the end of the Cold War. This tendency will certainly also play a role in sub-Saharan Africa. MPRI, Vinnell and DynCorp are among the leading American contenders. According to Goulay,

*“[t]he use of a private military contractor permits Washington to project its influence quite cheaply and very quickly to countries where it would be normally difficult to send troops because of political sensitivities. Moreover, the cost of cutting any links with a foreign regime is even less expensive, as MPRI protects Washington behind a potential screen of deniability.”*⁷⁸

Elsewhere, in Colombia for example, DSL is contracted to protect oil wells and pipelines. The contract is extended to the training of special units of the Colombian armed forces, constituting an intriguing case of the corporate sponsoring of foreign armed forces by British Petroleum (BP) through DSL.

Based on the post-colonial African experience, the United Nations came to condemn mercenary activities, and still has a special rapporteur on the issue.⁷⁹ But the unanimity behind this condemnation is beginning to falter. It appears most likely that US interest in the military segment of the PSI is behind the surprising shift in opinion with respect to military support missions carried out by the private sector.⁸⁰ Thus, the interventions of Executive Outcomes in Angola and Sierra Leone might well be harbingers of future international military relations.

Against this background, it is not altogether futuristic to see political actors enhancing their military capability by internationally leasing military personnel and hardware from the private sector. In purely economic terms, such a move would resemble the rationalisation and restructuring of industrial production in the maelstrom of globalisation. But military restructuring affects the very core of the nation-state and this trend is therefore likely to see many modifications and manifestations.

If the likely impact of global trends on the privatisation of security in Africa is considered, the similarities between urban African conglomerations and their counterparts in Russia are obvious. Particularly striking are the similarities with respect to the *de facto* privatisation of state agents and the loss of the monopoly over legal coercion, the slow motion demobilisation (in Russia, in addition to large-scale demobilisation), and the fatal role of violence as a means of economic regulation which makes the position of bank director a

high risk profession in Moscow. The PSI in sub-Saharan Africa is a booming business. The traditional, individually employed watchman was more a symbol of social prestige than an efficient protection against crime. He is being replaced by security firms modelled after the industry in developed countries, partly because many international firms have branched into the African security market.⁸¹ These PSI companies only operate in the regular economy and depend on the monetarisation of the respective economies, which is always linked to the viability of their export sectors. The demand derives from a high concentration of incomes and valuable productive assets. Reports of demobilised military personnel in post-conflict situations, or of slow motion demobilisation in failing states where public security personnel moonlight as part of security companies in the private sector, always refer to countries or regions which produce and export a commodity. Alternatively, the demand is fuelled by expatriates involved in externally-financed development projects or humanitarian aid.⁸²

Thus, more than anything else, the massive presence of the PSI in African countries is an indicator of the insertion of a viable economic sector into the global economy. Putting it differently, in contrast to the dismal economic performance of the region as a whole, one can argue that the expansion of the PSI in Africa indicates the resilience of Africa's participation in the global economy. The context, however, is of otherwise polarised and deeply fragmented societies, further propping up the demand for the PSI. Africa's difference consists in the extensive informal economy and its high proportion of rural populations which are only marginally integrated into monetary economic circuits. It is estimated that about half of the region's transborder trade is not part of the regular economy,⁸³ a fact which defies the presumption of national sovereignty. This large segment of African societies also relies on differentiated, though informal security systems of its own. From a sociological point of view, it mirrors the PSI in the modern sector. It provides roles which demobilised soldiers are just as likely to take up, if the circumstances do not allow them to cling to the modern sector.

To the extent that the fragmentation of African societies progresses and state functions are being hollowed out, the role of violence in the confrontation between the different security arrangements in the modern and informal sectors will increase and eventually become the dominant mode of economic regulation. The escalation along this path will eventually be recognised as civil war. Similar to the situation in Russia, it is difficult to prove that the massive growth of the PSI contributes to national security outside the limited confines of its customers.

Economic zones or states? The economy of security in sub-Saharan Africa

The kleptocratic exploitation of exportable resources by a corrupt élite for their own benefit seems to have exhausted the necessary recourse of power. This is not least because the steady flow of external support stopped after the end of the Cold War – except for humanitarian aid. The brokerage of these, often voluntary transfers provided the central tool that kept the prevalent regimes in power or, alternatively, kept an armed conflict going, as has been the case

in Sudan.⁸⁴ Humanitarian aid has often turned into an innovative asset fuelling the economy of continuing wars by creating humanitarian sanctuaries.⁸⁵

The persistence of armed conflicts and the pervasive absence of government control over the national territory provide room for violence. Rufin⁸⁶ takes a detached view and interprets the violence and the ongoing armed conflicts in the region as part of the process of sub-Saharan Africa finally taking possession of its own history. He supports Bayart's interpretation which sees the present turmoil as a mode of political production whereby sub-Saharan Africa finally and autonomously plays out a new political economy of the region. Most of the armed conflicts are about repositioning African resources in the world market. Reno believes that warlords who manage to be recognised as heads of state will be the central figures in the new political economy of the continent.⁸⁷ He predicts that the international community will rush to give recognition to those new rulers, just as the dictators of the quasi-states were recognised without demur during the Cold War period, Mobutu being one example.

Alternative political projects are evolving that have abandoned the Western model of a democratic state. In parallel to the decay of the quasi-states, the regular segment of most economies has been shrinking, in many cases dramatically. However, dynamic parallel and illegal economic circulation across the region and often connected with the global economy is also an important part of the African reality. This is not statistically evident and by definition is organised outside the legal order, corrupted as that may be. In the absence of any law-based regulation, this circulation therefore operates permanently under the menace of blackmail, racketeering and violence. The dynamics of this situation are the origin of the profound destating and privatisation of security in the region, which eventually leads to a militianisation of the entire society.

The joint articulation of the parallel and illegal sectors results in a pervasive arming of the economic actors that are involved. This cumulatively affects all layers of the society and the regular economy. Though markets are also at the centre of parallel economies, no legal arbitration controls the battles over predominance. Coercion and intimidation rule over the access to these markets, and force is often used to deny access to unwelcome competitors. However, as battles over access escalate, the mobilisation of politico-ideological group identities is often applied to dominate specific markets in the parallel economy. This step has great potential to eventually escalate into armed conflict, because the original economic motive of excluding others from a specific marketplace readily converts into a general enemy image triggering violence no longer related to the originally limited intention. The large numbers of internally displaced persons and refugees in the region are a tragic manifestation of such exclusion strategies.⁸⁸

Such armed conflicts are no longer civil wars, where two or more parties fight over the hegemony of a traditional state. Instead, the battles are over economic sectors, regions, trade routes, preferably over those allowing access to the world market. In these cases, the established term 'intrastate' war is somewhat misleading, because the conflict is over the creation and control of a new local-global economic space, which is no longer burdened with the ballast of an exhausted territorial nation-state. And most importantly, new alliances are being formed during ongoing armed conflicts between the substate, international, and

supranational actors which labour in the midst of fighting to develop competitive production locations for the global market, no matter whether the access routes are legal or criminal. With the local monopoly of coercion being the precondition to advance such projects, successful warlords become indispensable partners. All this is possible because substate units are able to interact with the world market on their own, and in defiance of a formal state, without fearing sanctions in this era of deregulation. Additionally, there are many shady actors in the international financial markets eager to loan the necessary capital in exchange for exploration titles. It remains attractive, however, for a warlord who controls an economically viable territory to strive for control over the formal state, because this provides a legal cover for the ruthless appropriation of state enterprises and property titles. It becomes feasible for a warlord in the position of formal head of state to contract military services from the international PSI to bolster his position without running into international opposition.

The US is among the countries that have come to consider interventions by the PSI as an acceptable way of ending destabilising conflicts by tilting the balance of power and allowing one side to take all. What is needed, according to the proponents of this qualitatively new form of mercenarism, are internationally accepted rules to make sure that certain standards of humanitarian law will be respected.⁸⁹

Contrary to the political rhetoric of warlords-turned-presidents, such as Liberia's Charles Taylor, there is no longer a vision of creating an integrated territorial state which provides, or promises to provide a social infrastructure, education and so on. The externalisation of state functions, such as customs and the certification of trade, merely continues to expand, as does direct control over resources by international capital. The inclusion of security into the externalised sphere marks a new step in the process of the externalisation of political accountability. The open private militarisation of security accelerates the destating process in the region, though it is portrayed as stabilisation. Therefore, these contexts become acceptable areas for the international emergency aid industry which regularly moves to alleviate the worst excesses of social polarisation and the ensuing apartheid of poverty. There is no easy solution to the dilemma of aid agencies becoming useful partners of the new political economy that separates *Afrique utile* from *Afrique inutile*.

While the evolution of Africa's new political economy will be marked by many contradictory trends, it is possible to outline the parameters of the PSI in this process. The PSI will thrive in the monetarised export-oriented pockets of Africa's economies. Its services will be instrumental in positioning these sectors competitively in the world market, because security is a fundamental precondition to attract the foreign capital required to realise the potential wealth in the region. The economic logic of these pockets places a premium on keeping the rest of the society at bay, in order to remain profitable. To the extent that the excluded sectors contest their marginalisation, the demand for the services of the PSI is bound to diversify and escalate up to levels at which the industry prices itself out of the market because the competitive advantage of the respective economic zone is lost.

Military downsizing and demobilisation provide a large pool of trained labour for the PSI. While demobilisation is usually associated with the end of a conflict,⁹⁰ this chapter argues that the actual demobilisation of security-related personnel is a pervasive phenomenon in the

region and produces an oversupply of dislocated labour as result of slow motion demobilisation in imploding states, and post-conflict demobilisation. It is not likely that the PSI, however thriving it may be, will absorb more than a small proportion of this oversupply.

This comes as no surprise, since the PSI proliferates because it provides a rationalised and effective, though rather selective form of security replacing the failed-state security institutions. For the time being, international firms run by expatriates dominate the market of the PSI. One might speculate about what will happen when the many foreign-trained African officers turn to become entrepreneurs and begin to create an African PSI.

Because of the general economic conditions in the region, few of the demobilised will be absorbed by the regular economy. The majority will join the ranks of the parallel economic circulation and the informal sectors in the context of weak or failing states. The resulting fragile security equations in most African states are permanently in danger of flaring up into open armed conflict. In addition, the post-Cold War demobilisation outside the region has facilitated the easy rearmament of such conflicts, because huge black markets emerged, stocked with surplus weaponry from the weakly controlled arsenals of the Cold War. But in this marketplace, dollars are the only currency. Thus, conflicts will concentrate on 'glocal' spots on the continental map where the local economy can be linked to global demand.

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