MASTER THESIS

CONFLUENCE OF POWER:
PRIVATE MILITARY AND SECURITY
COMPANIES IN ASYMMETRIC
GOVERNANCE

Supervisor: Nikolai Genov

Nova Gorica, March 2014
Bernard Malinić
Confluence of Power: Private Military and Security Companies in Asymmetric Governance

Thesis submitted toward the fulfillment of the requirements for the degree of

Master of Arts in Intercultural Management

by

Bernard Malinić

No: 86010002

under the guidance of

Prof. Dr. Sc. Nikolai Genov

School of Advanced Social Studies, Nova Gorica

Slovenia

2014
“Not everything that can be counted counts,
and not everything that counts can be counted“

Albert Einstein
Declaration

I Bernard Malinič hereby declare that this thesis is my own work, unless to the extent explicitly otherwise stated. It was written under supervision of Prof. Dr. Sc. Nikolai Genov and is submitted for the fulfillment of the requirements for the degree of Master of Arts in Intercultural Management at the School of Advanced Social Studies in Nova Gorica, Slovenia. The thesis has not previously in its entirety or in part been submitted to obtain any qualification or degree to any other university or institution. In submitting this thesis to the School of Advanced Social Science in Nova Gorica, I understand that I am giving permission for electronic publication, and for the thesis to be made available for use in accordance with regulations.

Signed on this the ___________ day of ____________ 2014.

Signature: ______________________________________
Acknowledgement

Writing a thesis was at times a daunting yet gratifying task. This project would not have been possible without the individual support and encouragement of each member of the school staff. After having studied for two years at the School for Advanced Social Studies under the guidance of Prof. Dr. Sc. Nikolai Genov, I would like to express my sincere appreciation and gratitude for the staff and my mentor’s intellectual guidance, encouragement, and support. I would like to thank everyone who supported and believed in me, and each of those who gave me an opportunity to warrant their trust.
Table of Contents

ABSTRACT..................................................................................................................................................X
PREFACE....................................................................................................................................................XI
ABBREVIATIONS AND ACRONYMS........................................................................................................XII

SECTION I: Introduction

1 INTRODUCTION ......................................................................................................................................1
1.1 THE POWER AND CONFLATION .................................................................................................4
1.2 THE RESEARCH PROBLEM ........................................................................................................7
1.3 THE RESEARCH QUESTION ........................................................................................................7
1.4 TERM DEFINITIONS AND VARIABLES .................................................................................8

2 THE PURPOSE, ASSUMPTIONS, LIMITATIONS AND DELIMITATIONS OF THE STUDY.........................................................12
2.1 PURPOSE .......................................................................................................................................12
2.2 ASSUMPTIONS .............................................................................................................................12
2.3 LIMITATIONS AND DELIMITATIONS .....................................................................................14

3 LITERATURE REVIEW................................................................................................................15
3.1 INTRODUCTORY REMARKS .................................................................................................15
3.2 PRAGMATISM: THE PHILOSOPHY OF COMMON SENSE..................................................15

4 CONCEPTUAL FRAMEWORK......................................................................................................17

5 METHODOLOGY ............................................................................................................................19
5.1 RESEARCH METHODOLOGY ...............................................................................................19
5.2 DATA PROCESSING FOR CASE AND NETWORK ANALYSIS ............................................20

SECTION II: Case and Network Analysis

6 INTRODUCTION ....................................................................................................................................22
6.1 CLARIFICATIONS TO THE CASE AND NETWORK ANALYSIS ........................................22
6.2 THE ACADEMI COMPANY BACKGROUND ........................................................................23
6.3 THE EVENTS ................................................................................................................................24
6.4 CHRONOLOGY .............................................................................................................................28
### Section III: Examination of Pragmatism

9 Introduction ....................................................................................................................51
9.1 Examination ................................................................................................................51
9.2 Charles S. Peirce – Pragmatism and Logic .................................................................52
9.3 John Dewey: Pragmatism and Ethics .........................................................................55
9.4 William James: Pragmatism and Truth ....................................................................59
9.5 Summary of Pragmatic Examination ......................................................................62

### Section IV: Conclusions & Recommendations

10 Conclusions ..................................................................................................................64
11 Recommendations .......................................................................................................66
Translation ..........................................................................................................................70
Literature and Sources ....................................................................................................82
Notes ..................................................................................................................................93
Appendices ........................................................................................................................A-1
Appendix A – Military Industrial Complex .....................................................................A-1
Appendix B – Biographical Data and UCINET-6 Spreadsheets ...............................B-1
# Tables and Figures

## SECTION I: Introduction
- TABLE 1 General stages of the analytical process

## SECTION II: Case and Network Analysis
- TABLE 2 Blackwater – GSA schedule
- TABLE 3 Network measures
- FIG 1: Present and former members of the management and board of the Academi Company
- FIG 2: Connections between present and former members of the management and board of the Academi Company and former Blackwater/Xe Services
- FIG 3: Connections between former and present members of the management and board of Blackwater/Xe Services and the Academi Company
- FIG 4: Map of all connections to the Academi Company
- FIG 5: Map presenting all connections and connected affiliations between the Academi Company and the former Blackwater/Xe Services
- FIG 6: Map presenting all connections and connected affiliations between the former Blackwater/Xe Services and the Academi Company
- FIG 7: Map showing all connections of member’s and organizations in a network
- FIG 8: Map showing all connections of members in a network
- FIG 9: Egonet for individual “A” in a network with all represented connections
- FIG 10: Egonet for individual “B” in a network with all represented connections
This page intentionally left blank
Abstract

Contemporary justification for the use of private military and security companies – PMSC has become increasingly prevalent. The central part of the thesis is the conflation of state power, and the power of PMSC in the contemporary world. Historically, before the Westphalia treaty, the capacity for using violence was in the hands of individuals and groups. After the treaty, the employment and improper use of violence/power was vested into the nation/states. The contemporary transformations brought a new arrangement between the state, businesses, actors/agents, and the security industry, which transformed into the military industry. This military and security entrepreneurship is allowing interest arrangements, which has serious implications for governance and society.

Keywords: power, conflation, nation states, private military and security companies – PMSC, pragmatism.
This page intentionally left blank
The privatized security and military industry can be described as a turn in social progress and knowledge in the twenty-first century. The thesis has an abundance of propositions, quotes, and the temptation to add notes of explanation have proven impossible to overcome. The subject is specifically concentrated on a perspective of the United States and their noticeable use of security-military industry services. With that said, at its core, aims to deliver a wider focus on the context of society at large.

The significance lies between pragmatism as a philosophy and the relations of PMSC actors/agents, state legislators, and politics. Pragmatism is, as its name would suggest, the basis for pragmatic politics. Within the scope of pragmatic politics, values and morals are problematic, and reflective thought is characterized as idealistic in practical considerations and solutions. For an effective exploratory-descriptive perspective on PMSC, it is necessary to connect the topic from an historical point to the present day through the processes’ various aspects.

These aspects and processes are interconnected within classical pragmatism. In pragmatic politics, theory holds that the logic of practicality outweighs morality, and theory is a means to an end. This practicality and out-weighted morality is the core at which PMSC existence lies. This poses a basis for the existence of PMSC companies, but the question of what exactly underlies the existence of these companies needs to be answered.

To find a justification for the contemporary existence and use of PMSC, various aspects of research must be considered. Ethics as moral standard and how it affects conduct is an important point, while, regarding for logic and truth of pragmatism. In pragmatic politics, these points are unimportant and any solutions usually outweigh the theory. So the practicality of this kind of solution where belief in character of values is ignored can have a consequence in demise of theory in simplicity of that solution. Refusal to notice is equal to unwillingness to apply the knowledge. The denial of knowledge is the denial of culture, and with that, any new progress in society. Weakness lies in both human habit and inaction in dealing with the repetitive occurrence of practical solutions in society. Action transfers to the undeveloped agent/actor, leaving the decision’s relevancy up to the discretion of the significant minority.
Abbreviations and Acronyms

BRAC – Base Realignment and Closure Act
BSC – Blackwater Security Consulting
CEO – Chief Executive Officer
CIA – Central Intelligence Agency
CMR – Civil-military Relations
FBI – Federal Bureau of Investigation
GSA – General Services Administration
KBR – Kellogg, Brown & Root
LOGCAP – Pentagon's Logistics Civil Augmentation Program
MPRI – Military Professional Incorporated
NGO – Nongovernmental organizations
NTOA – National Tactical Officers Association
PMC – Private Military Company
PMI – Private Military Industry
PMF – Private Military Firm
PMSC – Private Military and Security Companies
PSC – Private Security Company
PSI – Private Security Industry
PSF – Private Security Firm
SEAL – Sea, Air and Land (US Navy Unit)
SVP – Senior Vice President
SWAT – Special Weapons and Tactics
TIS – Total Intelligence Solutions
TRC – Terrorism Research Center
SECTION I: Introduction

1. INTRODUCTION

“…500 years after the demarcation between mercenary and standing armies, 700 years after the formation of the free companies, and 2300 years after Alexander employed mercenary Cretan archers; the international community again wrestles with the question of how to regulate mercenaries.”

Todd S. Milliard, 2003:
Overcoming Post-Colonial Myopia

Mercenaries have been around as long as war itself. The first records of mercenaries being referenced was by the army of King Shulgi of Ur. However, more detailed information is available through armies from Ancient Egypt, Greece, and Rome, through to the Middle Ages, the Renaissance period, and beyond. Where the “Hundred Years' War” (1337-1453) provided ideal conditions, the “Thirty Years' War” (1618-1648) wielded mercenaries with more power than emperors. In fact, future “mercantile companies” were granted full sovereign powers.

7. Bonney, Richard (2002).The Thirty Years' War 1618-1648. Portrait of Soldier: The Mercenaries.p.68-71. And Thirty Years' War. Encyclopaedia Britannica. Onlinehttp://www.britannica.com/EBchecked/topic/592619/Thirty-Years-War (21/10/2013) Note: During the Thirty Years’ War, many of the contending armies were mercenaries, many of whom could not collect their pay. This threw them on the countryside for their supplies, and thus began the “wolf-strategy” that typified this war. The armies of both sides plundered as they marched, leaving cities, towns, villages, and farms ravaged. When the contending powers finally met in the German province of Westphalia to end the bloodshed, the balance of power in Europe had been radically changed.
Through the ages, mercenaries were disliked and considered by many to be insolent, unjust, violent, and unreliable as soldiers.\(^{(9)}\)\(^{(10)}\)\(^{(11)}\) They disappeared from the forefront after the Westphalia treaty in an effort to quietly be used as mercantile companies until their demise in the second half of the nineteenth century. Contemporary mercenaries reappeared after the Second World War to operate in Africa from the sixties to the eighties. This ultimately transformed the position of military entrepreneurs, placing them at the forefront of military activities in the twenty-first century.

It could be said that mercenaries and mercantile companies have nothing in common with the military-security entrepreneurs of today. In spite of that, the vaguest trace of evidence to the contrary in historical data could not only strengthen comparative lines, but also support a Hobbesian perspective of the world.

Due to basic military capabilities different forms of power, and the commerce mentality, the entrepreneurial transformation was vaguely mentioned as a new phenomenon.\(^{(12)}\) Instead, the perspectives of a broader phenomenon \(^{(13)}\) and trend \(^{(14)}\) were introduced. At the end of the Cold War, beginning in 1990, the world became familiarized again with contractors and privatized war. It was essentially the dissolution of the old structures known to the bipolar world. The widespread downsizing of regular military forces created new momentum for development. New conflicts simultaneously gave rise to the private military and security companies (PMSC). The turning point, without exaggeration, was the involvement in wars inflamed on the Balkans throughout the 90s, where concept tests and greater expansion began. Nowadays, the business field is known as the private military industry (PMI).

---

13. Holmqvist, Caroline (2005). Private Security Companies. The Case for Regulation. SIPRI Policy Paper No. 9 Stockholm International Peace Research Institute. p.3. Note: In the shadow of the relatively few instances of genuine “contract wars”, a wider industry of private security provision has proliferated. Casting the debate as one about the virtues and vices of “mercenaries” has obscured what is in fact a much broader phenomenon and has precluded real critical engagement with the subject of security privatization.
After two decades of literal experimentation in the social and military sectors, the PMI today has developed into an industry that is allowed, but not regulated. This means that the legality surrounding the industry is inadequate, and regulating instruments are non-binding (White, 2011, p.135). That being said, the combination of state legislative authority, the corporate business sphere, and the military allows for the worldwide formal and social approval of the PMI. However, the mixture of state, legal and other influential powers had led to a certain degree of power conflation within the PMSC. This conflated power is permitted to operate without a time frame nor impunity as a result of the legality within sovereign laws and international loopholes.

These discrepancies are without precedence an extent of human capacity throughout history to ignore developed progress. Machiavelli brings to the forefront the fact that mercenaries “are useless and dangerous; and if one holds his state based on these arms, he will stand neither firm nor safe; … they have no other attraction or reason for keeping the field than a trifle of stipend” (Machiavelli, 1891, p.255). To extrapolate one of these discrepancies, a relevant example is civil-military relations (CMR). The relations between the civilian and military spheres have developed in the last six decades. At present, these relations could become a matter of organizational and cultural preference with theoretical and empirical grounds, without the real power of control and influence. There will be nothing to control.

As Ulrich Petersohn (2008) in Outsourcing the Big Stick: The Consequences of Using Private Military Companies states:

“Therefore, loss of social control does not depend on defective behavior displayed by the contractor but instead on the tasks the contractor has been enlisted to perform, since international law restricts the role of civilians in hostilities. A loss of social control occurs when civilians are contracted to provide a service that violates international norms. The deeper the violation of the core of the norm, the greater the loss.” (Petersohn, 2008, p.3)

16. CPA - Coalition Provisional Authority Order number 17. “The immunity from Legal Process of Coalition personnel, Foreign Liaison Mission personnel, Coalition contractors and their sub-contractors as well as their employees not normally resident in Iraq…” Online: http://www.usace.army.mil/Portals/2/docs/COALITION_PROVISIONAL.pdf (12/04/2013)
17. ICRC (2013). Article 47f. (And the exempt status of operation by security companies in conflict or war zone.) International Committee of the Red Cross. Online:http://www.icrc.org/ihl.nsf/7c4d08d9b287a42141256739003e636b/fbe8b9fee14a77fde125641e0052b079 (12/04/2013)
Corporate legal status allows any PMSC in the field of PMI to offer services or be employed by a state or private entity with the parallel application of corporate laws of secrecy and non-disclosure agreements. This legally-dual system between the state legislature, the corporate business realm, and the military sphere provides specific conditions which conflate power inside of the PMSC. This specific condition exists even if it doesn’t present any new form of power. It interrelates to concept, and poses a new form of political approach for society at large.

1.1 The Power and Conflation

One generally accepted definition holds that power is “the ability to influence the behavior of others with or without resistance” (Omale, 2013). Max Webber’s definition of power, on the other hand, holds that “one actor within a social relationship will be in a position to carry out his own will despite resistance, regardless of the basis on which this probability rests” (Weber, 2009, p.152). According to Greiner and Schein, “power is the capacity to influence another person or group to accept one’s own ideas or plans” (Greiner and Schein, 1988, p.13). Evidently, the definition of power varies according to perspective.

On the other hand, a general definition of conflation describes the phenomena as “combining things: to join or merge two or more things into a unified whole” (Encarta, 2005). In terms of the PMSC, the developed state of power conflation in relation with state administrative/legislative power is more akin to the definition of “the capacity to restructure actual situations” (MacMillan, 1978, p.10).

This is essentially a consequence of advancements in social power, the inclusion of citizens, and the development of competition for power by different elites – the elites which Wright C. Mills has written about, and Dwight D. Eisenhower has warned us about. This is an issue of particular importance through the standpoint of society. Muhammed Asadi writes:

“Interchangeability of top positions between the economy, the state and the military results in community of interests within the “complex” due to organizational socialization with the emerging culture described as Military metaphysics (Mills, 1956) or to the Logic of military solution to problems. This military metaphysics as it is prevalent among the dominant institutions diffuses as culture to the rest of society resulting in militarization of society”. (Asadi, 2013)
All of this yields the philosophical necessity of choosing between “the lesser of two evils”: one is the state-controlled monopoly on violence, and the other is the publicly-permitted military industry. The relations between the military and civilian spheres are of interest at the beginning of the twenty-first century, where the trend of security transformation dictates the successful process of one instringent upon the exclusion of the other. Privatization fails to conform to Max Weber’s conceived concept of a state monopoly of violence, as Weber points out:

“Nowadays, in contrast, we must say that the state is the form of human community that (successfully) lays claim to the monopoly of legitimate physical violence within a particular territory. Association shall be called a political sovereignty association and then to the extent that its existence and the validity of its orders within a given geographical area are continuously guaranteed by the use and threat of physical coercion on the part of the administrative staff…” (Weber, 1922).

Privatization also places into question the greatly-kept perception of realists, along with Clausewitz’s interpretation of the state’s role in the spheres of security and war (in the domain of states and their national armies). The explanation can be found in modern form in the German “Grundgesetz” law, Article 87a (18)

“which obliges the federal state to maintain armed forces. This is seen as an exclusive and necessary duty of the state; Exclusive – responsibility and cannot be delegated … [and] necessary means that the state has to provide and maintain armed forces and cannot avoid fulfilling the obligation.” (Petersohn, 2008a, p.13)

In the twenty-first century we are reopening learned historical lectures. Privatization, outsourcing, and the overall trend of security transformation allows the PMSC the power or “capacity to restructure actual situations”\(^{(19)}\) in the political process. Therefore, outsourcing and contracting of government functions is not just an “unexamined shift from public to private governance”\(^{(20)}\), but a threat to accountability which undermines the control and very foundation of society.\(^{(21)}\) Prevalent cultural socialization diffuses the security transformation and allows for a fusion with culture.

If the above holds true, then nothing has been learned out of historical perspective, nor the political and economic thinking of former times. Martin van Creveld’s interpretation is very appropriate alongside the above statement: “As new forms of armed conflict multiply and spread, … they will cause the lines between public and private, government and people, military and civilian to become as blurred as they were before 1648” (Creveld, 1991, p.226).

In short, we could subscribe a motto: what is not forbidden is allowed, and society already accepts the current state of affairs as the status quo. This should give us precedence for strategic reasoning, guiding us to the old Roman question, “Cui bono” – who benefits? And how can power be conflated?

---

21. Avant, Deborah (2004). The Privatization of Security and Change in the Control of Force. International Studies Perspectives. George Washington University. No.5. p.157. Online: http://psm.du.edu/media/documents/related_resources/avant_privatization_of_security_and_change_in_control_of_force.pdf (22/10/2013) Note: “The privatization of security has enhanced the importance of market mechanisms and diffused control over violence. … The privatization of security promises change in the practice of sovereignty. We should expect this change to affect not only states, but also the markets and societies that have built themselves around the state system.”
1.2 The Research Problem

To proceed any further, it needs to be indicated that this thesis is primarily focused on researching the confluence of power, specifically in the PMSC. The question “who benefits?” should be seen as a guide. Historical mercenaries, privateers, condottieri, mercantile companies and contemporary PMSC are viewed as widely-practiced forms, accepted as “normal practices” (Shearer, 1998, p.13). A third perspective is related to the state monopoly of violence, including use of force and the issue of “historical contestability” (Tilly, 1992, p.70).

On that count, the contemporary privatization of violence in itself becomes more than just a phenomenon. Evidently, this is both a repetitive historical occurrence and normal practice. This duality could be described as the multiplicity of historical omnipresence for reason of constant progress. However, the obscurity of the statement needs further explanation. To achieve an understanding between the historical omnipresence and today’s privatization of violence, we need to place it into context by examining its features. We must draw a connection between the PMSC and other actors/agents in society, which together form a conflated state of power.

1.3 Research Question

This thesis will focus on PMSC management and the connections between actors in society. The choice of the Academi Company was motivated by the fact that it is a successor of Xe Services and the Blackwater Company. It was the subject of an unparalleled number of legal and public investigations. On that basis, a range of available public data will allow unhindered research into the confluence of power in the PMSC. The aim is to depart from the central topic of company operations and shift toward the twofold aim of the research: empirically investigating the acts and processes which resonate across the PMSC in confluence between different social actors. A secondary aim is to bring understanding to the intrinsic nature of confluence of power in the PMSC.

The above questions deal with power conflation, which can be identified in the form of connections in ownership structures, mergers and acquisitions, or any other relation or link between political and social character. Mapping out major connection patterns will allow for a focused overview of connections, as well as the identification of public/private actors and structures created through the PMSC. This leads to the concise linkage between the empirical and theoretical parts of the thesis. Or as an old Hermagoras’s method says “Quis, quid,
quando, ubi, cur, quem ad modum, quibus adminiculis - who, what, when, where, why, in what way, by what means” (Dieter and Kurth, 1968, p.95; Robertson Jr., 1946, p.10). This leads to one consequential research question which will prove to guide the thesis:

How does a confluence of power occur in the contemporary Private Military and Security Company, and what challenges does the state of power conflation present?

In the end, connecting this stream of argumentation with the words of Punch, “When we know why (or how) something happens, we know more than just what happens, and we can use the explanation for prediction” as part on future challenges (Punch, 2006, p.34).

1.4 Term Definitions and Variables

For all intents and purposes, this subchapter presents key terms, abbreviations and their variables as defined by law, industry members and academics who have researched the subjects. From the collated terms, it can only be concluded that there is a specter of definitions and interpretations for industry companies and the work that they do. Some are more euphemistic, while others are to the point, except for the international definition by the Geneva Convention regarding who qualifies or does not qualify as a mercenary. There is still an individual point of view when it comes to implementing the laws and defining the resolution of what the private military companies do exactly.

**Mercenary** – International Committee of the Red Cross, Protocols Additional to the Geneva Convention Article 47; a) is specifically recruited locally or abroad in order to fight in an armed conflict; b) does, in fact, take direct part in the hostilities; c) is motivated to take part in the hostilities essentially by the desire for private gain and, in fact, is promised, by or on behalf of a party to the conflict, material compensation substantially in excess of that promised or paid to combatants of similar ranks and functions in the armed forces of that party; d) is neither a national of a party to the conflict nor a resident of territory controlled by a party to the conflict; e) is not a member of the armed forces of a party to the conflict; and f) has not been sent by a state, which is not a party to the conflict on official duty as a member of the armed forces. (ICRC, 2013)

**A. Private Security Companies (PSC)** – “share the same business structure as the PMCs and are also conditioned only to work for legitimate governments. PSC primarily do risk assessments, training of bodyguards and close personal protection. Their services are
usually related to foreign diplomats, but can also include protection of economic interests like oil fields, pipes and embassies. PSCs often undertake crime prevention and restoration of public order. Employee, owner, recruitment and legal characteristics are shared with PMC.” (Christiansen, 2010, p.8)

B. Private Security Companies (PSC) – “are similar to private military companies, but provide defensive security services to protect individuals and property. Examples include DSL (part of Armour Group) from the UK and Wackenhut from the US. They are used by multinational companies in the mining and resource sector, and by international and humanitarian agencies in conflict and unstable areas.” (FIFC, 2001, p.2; MUN, 2011, p.5) “Private security companies are in theory distinct from private military companies in that they are usually unarmed and are concerned with the protection of property and personnel, rather than having a military impact on a conflict in a given situation. However, this is a blurred line as some companies display characteristics of both kinds of companies by being involved in both security and PMC-related activities.” (MUN, 2011, p.5)

C. Private security companies (PSC) – “Private security companies share the same corporate attributes and command structures as private military companies. A major difference between them is in the range of services provided. Private security companies are predominantly concerned with crime prevention and public order concerns: they might provide private guard services for prisons, airports, installations, and private individuals, as in the case of Group 4 and Securicor in the UK. There are those companies, whose activities are borderline and have a bias towards more sophisticated security services, including training local police, securing transport and information routes such as the British company Defence Systems Limited (DSL), which has had extensive contracts in Angola and Columbia. The US company, AirScan, is another example of a private security company that has carried out airborne security operations and missions in Angola since 1995. Those private security companies that operate in conflict situations and supply services that might be considered to be of a military nature, in that they would have an impact on the local conflict, are covered by the scope of this report. They are included in the category of ‘private military companies’ for ease of reference.” (Beyani and Lilly, 2001, p.16)

A. Private Military Companies (PMC) – “permanent structures, corporate entities, which are run like a business. They have a clear hierarchy, are run on military lines and
operate to high disciplinary standards and under the law of armed conflict, with a particular concern for human rights.” (Spicer, 2003, p.41)

B. Private Military Companies (PMC) – “are companies with a business structure, which means a professional management, investors, and with a defined business strategy. PMCs offer services supporting already existing structures. They perform supporting, advising, consulting and training services. PMCs that are members of a trade association are obliged only to work for legitimate recognized governments.” (Christiansen, 2010, p.8)

C. Private Military Companies (PMC) – “are corporate entities offering a range of military services to clients. It is predominantly governments that use these services to make a military impact on a given conflict. Examples include MPRI from the US and Sandline International from the UK.” (FIFC, 2001, p.2)

D. Private military companies (PMC) – “Private military companies are registered corporate bodies with legal personalities that often provide military and security services of a different nature and for a different purpose to the activities of mercenaries. Private military companies often employ mercenaries, but they differ in that they are often hired by governments, ostensibly to provide public security whereas, non-state armed groups, aiming to undermine the constitutional order of states, generally hire mercenaries. The services provided by private military companies such as Executive Outcomes, Sandline International, Military Professional Incorporated (MPRI) and Defence Systems Ltd. vary from company to company according to the level and degree of specialisation. Currently, there is no requirement or a prevailing duty of disclosure on companies to routinely divulge information on their operational activities. Indeed, there is a distinct lack of transparency in the operations of many private military companies that obviates proper public scrutiny of their activities and causes further controversy about their use.

As corporate bodies, private military companies operate within registered business and management structures. Most companies claim to provide military services under a recognized chain of command structure with disciplinary military procedures that conform to the laws and customs of war. Directors and Boards of Directors usually consist of former military officers who are, in theory, internally accountable to shareholders. However, the personnel structure of the companies is not always clearly defined as they do not have a fixed set of employees and often have to draw upon networks of ex-servicemen or ‘soldiers for hire’
on the international market. This freelance culture leads to problems of vetting suitable employees and ensuring employees are not hired by less reputable outfits engaged in more traditional mercenary activities.” (Beyani, and Lilly, 2001a, p.18)

**Private Military Firms (PMF)** – “business organizations that trade in professional services intricately linked to warfare. They are corporate bodies that specialize in the provision of military skills, including combat operations, strategic planning, intelligence, risk assessment, that deliver to consumers a wide spectrum of military and security services.” (Singer, 2003, p.8)

**Private military and security companies (PMSC)** – “the 2008 Montreux Document is a document of an initiative launched cooperatively by the Government of Switzerland and the International Committee of the Red Cross. On pertinent international legal obligations and good practices for states related to operations of private military and security companies during armed conflict identifies PMSCs as “private business entities that provide military and/or security services, irrespective of how they describe themselves. Military and security services include, in particular, armed guarding and protection of persons and objects, such as convoys, buildings and other places; maintenance and operation of weapons systems; prisoner detention; and advice to or training of local forces and security personnel.”” (FDFA, 2008; Østensen, 2011, p.7)

“The International Code of Conduct for Private Security Providers (ICoC), which is a related Swiss initiative for enhanced regulation of the private security industry, refers only to private security companies and private security providers, due to its specific focus on regulating the provision of security services. In this context a PMSC can be understood as a commercial company selling security and support services, mostly internationally.” (Østensen, 2011, p.7)

**Civil-military relations (CMR)** – “describes a field of study as well as an arena of participation in the political life of the state. As a field of study, civil-military relations are multidimensional and interdisciplinary. Political scientists, sociologists, philosophers, and historians, as well as national security practitioners all bring their unique perspectives to the field. As an arena of political participation, civil-military relations link the political and military components of strategy.” (Bartholomees, 2012, p.306)
2. PURPOSE, ASSUMPTIONS, LIMITATIONS AND DELIMITATIONS OF STUDY

2.1 Purpose

The fundamental purpose of this thesis is to examine the importance of relationships’ factors among state, corporate, and military (actors) regarding the conflation of power in private military and security companies. The attempt is to question the PMI through analyzing PMSC power relations to demonstrate the actual extent of association between the industry and other actors (state, corporate and military) in society. Basically, the thesis explores the developmental move from traditional state security to state-private action. The significance lies in identifying and explaining the evolving conflation, especially the conflation of power with an emphasis on the possible consequences that it can have on society.

There are two more specifically-defined purposes. The first is to examine the importance of relationship factors in the PMSC in an effort to see if a move from traditional issues of power can be made in particular cases. The second is to examine and explore an application of pragmatism on a setting of PMSC and PMI, and to draw conclusions from the same theory that inspiration for legitimacy can be traced. Consequently, to revise the truth, it is necessary to challenge said truth in terms of the same underlying idea from which has arisen.

2.2 Assumptions

The thesis is based on the underlying assumption that certain acts and processes resonate across the social dimension, as found in the confluence of military, private and political actors. The idea within this thesis is by no means original and can be consented without any major reservations. It is necessary to stress the extent of differentiation of opinion among scholars. The opponents can in principle be located within the “criticism of social network research is that the field lacks a (native) theoretical understanding – it is ‘merely descriptive’ or ‘just methodology’” (Borgatti, Mehra, Brass, Labianca, 2009, p.893).

Furthermore, by connecting and interpreting acts and processes of different actors has an extended effect upon the confluence of PMSC. It could be argued that this is an all extremely narrow and negative assessment of the elite. In this light, the views depicted through power theory can be seen as only clarifying the meaning of the slow decomposition of Webber’s view of a “state monopoly of violence” (Weber, 1922). However, particularly
among those with expertise in the subject area of military and security privatization, this assessment would be accepted.

As Ulrich Peterson argues in *Outsourcing the Big Stick* interpreted Deborah Avant *The Market for Force*, “outsourcing enhances PMCs’ influence on the foreign policy process and that purchasing services on the market undermines the collective monopoly of the state in controlling the use of violence” (Petersohn, 2008b, p.2). This notion supports Avant’s former conclusions on a subject as presented in *The Privatization of Security and Change in the Control of Force*: “The privatization of security has enhanced … and diffused control over violence. … The privatization of security promises change in the practice of sovereignty” (Avant, 2004, p.157).

This goes along with the Peter Singer perspective of the relationship between military industry and direction of state: “With the growth of the privatized military industry, the state’s role in the security sphere has become deprivileged, just as it has in other international arenas such as trade and finance” (Singer, 2003a, p.187). This could even be indicated within the society itself, thus allowing the statement that the confluence of state, corporate, and military actors in practice is a newly-developing process.

However, if outsourcing violence (or security, as it called) allows for influence on the foreign policy process, then by default, any influence on foreign policy is also a direct influence on domestic policy. This is because of the connected relations throughout the top positions in both the state and corporate spheres. An underlying assumption can be given as the following: new developments in connected relations of top positions between state, corporate and military actors, allow decision-making powers to be preserved or re-developed through PMSC in a manner of asymmetric governance.

---

1. Jentleson, Bruce (2010). *American Foreign Policy: The Dynamics of Choice in the 21st Century* (4th ed.) NY: New York. W. W. Norton & Company, Inc. p.38. Notes: Legislative Power – Professor Louis Henkin of Columbia University goes so far as to claim that there is no part of foreign policy “that is not subject to legislation by Congress.” That may be an overstatement, as demonstrated by some of the examples of executive power just cited. But it is true that the legislative power gives Congress a great deal of influence over foreign policy.
2.3 Limitations and Delimitations

One of the principal limitations of this thesis or any research on the subject of PMSC lies in the fact that secrecy and confidentiality are central concepts in the PMI. At the same time, any company or corporation has legal basis for implementing secrecy laws on the grounds of company proprietary information or trade secrets. So it’s particularly important to focus limited information to reach the extent of full interpretations.

In essence, many gaps are filled with meaningful written information collected by a journalist. Consequently, to all existing limitations, there is the necessity to grow one’s knowledge of the industry. In *Armies without States: The Privatization of Security*, Robert Mandel points out that “too pressing an issue to wait for an approximation of perfect information” (Mandel, 2002, p.4). This is why this research will concentrate on analyzing a single company’s data to explain the conflated state of power in the PMSC.

The motive was straightforward: concentrating on the connections and associations of the PMSC (ownership structures, mergers and acquisitions, connections between company management and political elites). However, not much was done from a concentrated-research perspective. Delimitations will be presented and explained in more detail throughout the thesis.

However, due to inevitable limiting factors, this thesis will not include any fieldwork. Because of this, it became necessary to apply a pragmatic approach, allowing for objective analysis and interpretation of results, excluding any polarized preferences. One more critical curtailment of the thesis refers to the focus on a part of the CMR, namely because of the connection between the PMSC and other actors in the sphere of CMR. That being said, the CMR sphere is not the subject, nor does it take any part of the research.
3. LITERATURE REVIEW

3.1 Introductory Remarks

To an extent, it could be said that the PMSC is the primary emphasis of the subject. It’s necessary, however, to connect the basis for the PMSC through philosophy of pragmatism and a pragmatic political setting from which the source of influence originates. Before linking perspectives and associating them with power in the realm of international relations theory. A short overview of how pragmatism connects to the context of conflation of power in a political setting will prove useful in this study.

3.2 Pragmatism: The Philosophy of Common Sense

“[Pragmatism] uses purposeful human inquiry as a focal point. Inquiry is viewed as a continuing process that acknowledges the qualitative nature of human experience as problematic situations emerge and are recognized. Recognition involves the doubt associated with questioning existing belief systems. Doubt is resolved through critical reasoning and ultimately tested in action. It is the philosophy of common sense because actions are assessed in light of practical consequences. Finally, inquiry is not necessarily limited to individual effort rather it often incorporates a ‘community of inquirers’.” (Shields, 1998, p.197)

Shields’s view of classical pragmatism gives us a sense of Peirce's first explicit declaration of pragmatism: a pragmatic maxim connected to Dewey’s common sense approach to theory and empirical inquiry as being function- and practice-oriented.

The word pragmatism was in fact created to convey without doubt a general rule, principle, or truth of logic as maxim:

“The maxim is intended to furnish a method for the analysis of concepts ... The method prescribed in the maxim is to trace out in the imagination the conceivable practical consequences that is, the consequences for deliberate, self-controlled conduct of the affirmation or denial of the concept.” (Peirce, 1991, p.246)

Moreover, in the words of Shields and Tajalli, “Conceptual frameworks are connected to outcomes or problem resolution because they aid in making judgment. Theory includes the “logical instruments” of reaching judgment” (Shields and Tajalli, 2006, p.315). Or, in the
words of Dewey, “Propositions are logically distinct from judgment, and yet are the necessary logical instrumentalities of reaching final warranted determination or judgment” (Dewey, 1938, p.283).

Later in their research ventures, James and Dewey shift their attention to the importance of the consequences of actions. In this stream of thought, Dewey expressed the following:

“Pragmatism … does not insist upon antecedent phenomena but upon consequent phenomena; not upon the precedents but upon the possibilities of action. And this change in point of view is almost revolutionary in its consequences … When we take the point of view of pragmatism we see that general ideas have a very different role to play than that of reporting and registering past experiences. They are the bases for organizing future observations and experiences.” (Dewey, 1998, p.8)

In order to link the thesis’s problem and purpose to the basic philosophy of pragmatism inquiry, it needs to be connected from the beginning in terms of “conceivable practical consequences” and “common sense”. It must also allow for the inclusion and exclusion of “antecedent phenomena”, and present “consequent phenomena” for the role of “possibilities of action”. The place from which we can connect and explain two points of view is the same place in which problems rise and disperse. William James has written a relevant passage at the beginning of his *Pragmatism: New Name for Some Old Way of Thinking*:

“There are some people—and I am one of them—who think that the most practical and important thing about a man is still his view of the universe. … We think that for the a general about to fight an enemy it is important to know the enemy’s numbers, but still more important to know the enemy’s philosophy.” (James, 1907, p.1)

International relations theory emphasizes the objective of power and based on realism “…believes that politics, like society in general, is governed by objective laws that have their roots in human nature. In order to improve society it is first necessary to understand the laws by which society lives.”(Morgenthau, 2005, p.4)

So, if we want an affirmation to problem resolutions for “conceivable practical consequences”, we must be able to relate new information to prior experiences. The prior experience must include all knowledge learned over time. Any conclusion drawn must be based on people’s experiences in connection with the context of common sense in order to generate an understanding of the experience and knowledge gained. Only then will the logic
allow the concept of a problem or “conceivable practical consequences” to be resolved, as prior experience gained is connected with currently-observed problems. This could subsequently lead to an “antecedent phenomena”, which may be included or excluded and still gain “consequent phenomena” explained on the basis of instrument aid to make a final judgment.

4. CONCEPTUAL FRAMEWORK

The particular challenge in the investigation of this thesis is not the absence of applicable theory within the field. In fact, other than power theory, the elite theory and policy theory could be used (unsurprisingly, given the political nature of the topic). It could still be argued that this thesis focuses on the relationship between two main variables: the privatization and state control of force. However, the central objective is to problematize the linkages between the visible and invisible variables and power relations in the PMSC, as well as identifying and elaborating on the potential challenges that they present.

The attempt of the thesis is to combine the insights of practice with perspectives drawn from theory, and to further analyze and examine these insights through a pragmatic lens. Instead of applying a singular theoretical angle, it will be useful to draw on various theoretical angles relevant to the subject. The conceptual framework used may be termed as a pragmatic analytical approach.

The aim is essentially to draw focus on the interplay between the theoretical and the empirical, as well as how they are directly linked to the development of the state of confluence in PMSC and other institutional and social actors in society. Pragmatism in this thesis can be defined as a tool for analyzing practice and investigating the processes, with the capacity to pragmatically interpret the results. An analytical approach permits the examination of processes and results of practice positioned within the power structure. This influences multiple rationalities and practices where decisions of value are weighted and changeable. The analytical process proposed in the framework follows three general stages (see Table 1).
Table 1 General stages of analytical process.

<table>
<thead>
<tr>
<th>Stage 1</th>
<th>BASIC COMPANY BACKGROUND ANALYSIS – CASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage 2</td>
<td>COMPANY, ACTORS AND LINKED CORPORATE RELATIONS AND SIGNIFICANCE OF COMPONENTS – NETWORK ANALYSIS</td>
</tr>
<tr>
<td>Stage 3</td>
<td>SOCIAL IMPLICATIONS OR POTENTIAL CHALLENGES – PRAGMATIC EXAMINATION</td>
</tr>
</tbody>
</table>


However, these stages should not be regarded as linear. As the analysis proceeds, it will be necessary to revisit, reassess, and reinterpret earlier information. The purpose of including these results is to demonstrate where the state of power confluence is most easily noticeable. Additionally, for better understanding of the significance of potential challenges, mapped actors, companies, corporate entities, and state relationships may be omitted in part or in full in the analysis process.

Without any doubt, an alternative path could be pursued, such as utilizing an alternate framework. In choosing this approach, however, particular aspects of the topic in the thesis wouldn’t be brought to the forefront of consideration. This is true in spite of the implied simplicity of any alternative approach, as the research prompts of interest feature varying levels of complexity. It would prove counter-productive to exclude important aspects from the analysis. For that reason, the selected path will lead to developing a more fluent argument and aim to combine all theoretical considerations with the empirical investigation. This will prove useful in explaining and elaborating on all influences that support the analysis.

This thesis will make no claims of having tested causality, nor will it indicate that the question of causality is being entirely avoided. Discussions of the effects of state of power conflation in the PMSC are inevitably preliminary and tentative. Nevertheless, the paper will adopt a pragmatic understanding of power conflation in the PMSC on empirical grounds. It will also generate new insights into relationships and the factors which shape the confluence of power. As Hollis points out, “The underlying reasoning is that theory governs experience, which in turn directs our theoretical conceptions” (Hollis, 1994, p.77). The way in which knowledge occurs is an effect between (theoretical) concepts and empirical reflections.
5. METHODOLOGY

5.1 Research Methodology

The study addresses the research question of interest by adopting an exploratory and descriptive approach. I have chosen a method that explores both theoretical and empirical dimensions of the conflated state of power in the PMSC. Pragmatism provides the particular methodology, and, in the words of Creswell, “what counts is the research problem and all approaches can be applied to understanding the problem” (Creswell, 2003, p.11). Instead of applying a singular theoretical angle, the proposition put forward is useful for drawing on and analyzing various theoretical angles of practical relevance to the subject.

As indicated earlier, the question of interest is empirical and theoretical in nature, and deals with past and present data in relationships between different social actors in the case of the Academi Company. The methodology employed in the thesis facilitates an interaction between theory and practice. The research tasks of the thesis are threefold: analytical, theoretical, and an interactive connection between the two.

The information for the thesis’s empirical data and base for analysis was collected through open sources. It has been drawn from legal and publicly-available documents. In spite of practicality, the thesis will often be philosophical, extending into the confluence of power structure and other arising connections.

In terms of the analytical aspects, research methods surrounding the thesis have focused on case research techniques. The presentation of the case material has leaned on the practice of writing archival/historical data and the use of narrative. The case collates and presents data for empirical network analysis, which furthers the basis for a pragmatic analyses approach. Therefore, the methodological path encapsulates all implications and any narrower enquiry on specific points would not bring about emphasis where it is needed. Similarly, underlying factors would be completely overlooked.

The thesis is structured in sections, each of which is divided into chapters. Each chapter is structured to comprehensively elaborate on one given part of the research effort, ultimately conveying a broad outlook on the subject. Section 1 provides an overview of the study from introduction through to problem, purpose, research question, conceptual framework, methodology and design. Section 2 reviews the case on which the research is established, and explains the association processes, resonating among different actors and structure. This section includes the network analysis of collated data and the interpretation.
structure through the PMSC and any developed associations. Section 3 features a pragmatic examination of the interactive connection between case data and network analysis results. Finally, section 4 constitutes a summary of findings, as well as presenting conclusions and recommendations based on the adopted approach at the outset of research.

5.2 Data Processing for Case and Network Analysis

In terms of empirical research, it couldn’t be clearer that in a field of the PMI, existing data still leaves much to wish for. The same holds true in the context of PMSC, in connection with how data sensitivity, secrecy, and company rights to proprietary data causes a challenge in itself. The case of the PMSC is the basis of this thesis and provides an account of company, background, structure and affiliation. This type of case writing depends on a generous degree of information derived and collated from legal and public data. Basically, the strategy for data collection must be drawn from official legal documents and reports, and information provided by other governmental agencies or international organizations. The research further relies on some published secondary literature, previous research, and other various materials.

The data itself constitutes a list of management members and a network of associating actors and companies. It includes an explanation of how members of management are interconnected and how the company is associated within the same network. The basic idea is that the collection and selection of data is based on an archival/historical approach.

There are two central points to this argument. The first is that an archival/historical approach regards the primary and secondary data on a scale where legal and published public data itself form primary source; moreover, insight can be gained into the realities and problems. Secondly, because the approach itself is pragmatically orientated, it allows for flexibility in the empirical component of the analysis of extracted data, revealing how power is concentrated in the PMSC. It further allows for the description of the role, its purpose, and an answer to the “why”.

In line with that attitude and in addition to the primary official documents, the thesis also makes use of secondary sources, such as notable published scholarly literature and other material of interest on the subject of the PMI and/or PMSC. These sources are used to support the case descriptions, to check other sources, and to use as a point of reference for the findings. They are also used in a complementary fashion, to provide additional viewpoints and to fill in some of the gaps and omissions found in the primary documents.
Media articles, materials published online, and any reports on the subject written by nongovernmental organizations (NGOs) will, in an identical way, complement the data. The media often has an advantage in regard to accessing certain people that many researchers do not have access to. Media articles and/or reports tend to include useful and interesting statements made by state officials and other public members on a variety of issues linked to the PMSC. For example, in Corporate Soldiers and International Security: The Rise of Private Military, Christopher Kinsey presents the following view:

“To attempt to present a well-balanced analysis on PMC is difficult undertaking, but even more so when reliable empirical information is limited. … To wait for substantial increase in the amount of information on PMC to be made available in the public domain is simply not possible given the pressing nature of the topic. … To meet these challenges a number of different sources were recommended to overcome the problem.” (Kinsey, 2006, p.6-7a)

Finally, different approaches and sources are needed to provide answers to the primary research question. Criteria must be used in assessment to avoid sources that distort the acts and processes being researched.
6. INTRODUCTION

“If we ever get to the point of charting a whole city or a whole nation, we would have … a picture of a vast solar system of intangible structures, powerfully influencing conduct, as gravitation does in space. Such an invisible structure underlies society and has its influence in determining the conduct of society as a whole.”

Jacob L. Moreno, 1933: New York Times

6.1 Clarifications to the Case and Network Analysis

Before introducing the case as a basis for network analysis, it would be good to describe implementation of a case in the thesis as a “neutral hue” in the larger extent of pragmatism. This can be extrapolated from two different definitions for the case study. The first defines implementation as “an intensive analysis of an individual unit (as a person or community) stressing developmental factors in relation to environment” (Merriam-Webster, 2013). The second defines the same term as “the detailed examination of a single example of a class of phenomena, a case study cannot provide reliable information about the broader class, but it may be useful in the preliminary stages of an investigation since it provides hypotheses, which may be tested systematically with a larger number of cases” (Abercrombie, Hill, and Turner, 2006, p.34).

So, to reiterate, the case of the Academi Company is not meant to be a study methodology, but rather the empirical component of the research. The case functions as an intensive account of an individual unit stressing the most important factors, allowing further detailed examination in relation to the environment from which arises. Network analysis is the second part of empirical examination, where the case functions as a basis for further observation. This will allow visible parts and connections to be further and thoroughly examined with pragmatic judgment.

Currently, in the open public debate and research field, the company symbolizes what is being done right and what is being done wrong in the expanding realm of PMI and contracting. However, debate and research concentrate on the same fundamental principal of
“for or against”, based on the historically omnipresent phenomenon of privateers. In the 21st century, the only omnipresent feature lies within pragmatic politics, where the tool or path is the trend, and the company itself is the method.

6.2 The Academi Company Background

The story of the Academi Company starts in December 26, 1996, with the incorporation of the Blackwater Lodge and Training Center. In May of 1998, the build of the company facilities was complete and they officially opened for business.\(^1\) From the date of their incorporation to the building’s completion, the company purchased more than five thousand acres in Currituck County, North Carolina and its neighboring Camden County.\(^2\) From the beginning until present day, the company has been known under several names, including Blackwater USA, Blackwater Worldwide and Xe Services LLC. After the 2010 sale and assets transaction, the company became known as Academi, the name by which it is known today.

The idea for the training facility and consequently the concept of the company came from Al Clark, a US Navy Seal instructor. The financial side of things was powered by Erik D. Prince, a US Navy Seal commissioned officer, as well as the Prince family’s financial wealth. A meeting in 1996 on the subject of opening a training facility resulted in the Academi’s incorporation.\(^3\)(\(^4\))

---

6.3 The Events

It could be argued that the incorporation of Blackwater was based on a wave of privatization. A number of corporations made up this wave, including the privatized military support services and the Pentagon’s Logistics Civil Augmentation Program, but defined support services and LOGCAP came years earlier (LOGCAP, 1985).

However, expansion shifted into focus when Richard Bruce “Dick” Cheney was Secretary of Defense (1989-1993) under United States president George H. W. Bush. There is a degree of controversy following LOGCAP. When the Pentagon commissioned Halliburton for a classified study, Richard Cheney was the U.S. Secretary of Defense. The study was expanded on the grounds of LOGCAP, and in August 1992, the U.S. Army Corps of Engineers selected Halliburton’s subsidiary company Kellogg, Brown & Root (KBR) to provide support services through the Pentagon’s LOGCAP. In later years, the Halliburton Company appointed a new CEO: Richard Cheney. From 2000 to 2009, Richard Cheney became Vice-President of the United States, under the administration of president George W. Bush (the same administration which decided to invade and occupy Iraq). Halliburton Co. was the prime contractor for the administration of America insofar as the reconstruction of Iraq’s infrastructure, while KBR was the prime logistics contractor for the Pentagon.

__________________________
5. Miller, T. Christian (2007). Private Contractors Outnumber US Troops in Iraq. Los Angeles Times. July 4, 2007. Online: http://www.commondreams.org/archive/2007/07/04/2284 (28/08/2013) Notes: “Henry Waxman, who chairs the House committee on oversight and government reform, said: “The money that's gone into waste, fraud and abuse under these contracts is just so outrageous, it's egregious”. “It may well turn out to be the largest war profiteering in history”. “In the run-up to the invasion, one of the most senior officials in charge of procurement in the Pentagon objected to a contract potentially worth $7bn that was given to Halliburton, a Texan company which used to be run by Dick Cheney before he became vice-president”. “Unusually only Halliburton got to bid - and won”.
In subsequent years, both Peter Singer in *Corporate Warriors* Dan Briody in *The Halliburton Agenda* voiced critical reviews of the situation. Meanwhile, in *Blackwater: The Rise of the World’s Most Powerful Mercenary Army*, Jeremy Scahill drew conclusions on the subject of a classified study that the Pentagon had commissioned Halliburton-KBR to complete.\(^7\)\(^8\) However, in a New Yorker article titled “What did the Vice-President do for Halliburton?” Jane Mayer writes that a “single company providing support for military operations abroad, … the Pentagon commissioned Halliburton to do a classified study of how this might work. In effect, the company was being asked to create its own market” (Mayer, 2004).\(^9\) The end result was the paradoxical cascading effect resulting from the privatization of military support services and LOGCAP, in combination with the defense budget, logistic cuts, and political administration.

The purpose of LOGCAP was to clear the U.S. Army of restrictions, release military units for other missions, and fill shortfalls connected to support services and logistics.\(^10\) The second row of reduction and downsizing laws and acts came with the Base Realignment and Closure Act (BRAC, 1989-95)\(^11\). This specter of defense cuts, which can be found through different American administrations, is critical and would prove to be both a direct and indirect facilitator in later years for a multitude of PMSC incorporations.\(^12\)\(^13\)\(^14\) The reduction and downsizing programs collided with the approval of administrations, from Ronald Reagan (1981-89) to George H. W. Bush (1989-1993), where financial savings increased, and were accepted and accelerated under the administration of Bill Clinton (1993-2001).\(^13\)\(^14\)

---

12. DOD (1993). *Secretaries of Defense – Richard B. Cheney. Historical Office – Office of Secretary of Defense. Department of Defense United States of America*. Online: http://history.defense.gov/cheney.shtml (20/04/2013) Notes: “President Bush had already said publicly that the proposed FY 1990 Defense budget of more than $300 billion had to be cut immediately by $6.3 billion, and soon after Cheney began work the president increased the amount to $10 billion. Cheney recognized the necessity of cutting the budget and downsizing the military establishment, but he favored a cautious approach. … In subsequent years under Cheney the budgets proposed … similar to the FY 1990 budget experience. Early in 1991 the secretary unveiled a plan to reduce military strength by the mid-1990s to 1.6 million, compared to 2.2 million when he entered office.”
The final result was the ultimate closure of military training facilities—the same facilities which are necessary for the training of soldiers in military task proficiency. In the meantime, this allowed for the development of different types of companies in the sphere of PMI. One of those incorporated was Blackwater Lodge and Training Center in December 26, 1996, where both the corporate history of the company and the spectre of the industry trend began.\(^{15}\)

\begin{itemize}
\item[13.] McCormick, David (1998). The Downsized Warrior: America's Army in Transition. NY: New York. New York University Press. p.30. Notes: “In reality however, downsizing began in the mid-1980s, more as a consequence of budgetary pressures than the thawing of superpower tensions. Alarmed by burgeoning deficit fueled by sharp increases in defense spending under the president Ronald Regan, Congress leveled, Pentagon’s budget in 1985 and reversed the trend altogether a year later. By the time the Democrats gained control of the Senate 1986, a consensus had emerged that large cuts in future are inevitable. However, the Regan administration largely ignored the intent of these cuts – reduced defense spending across the board – by leaving long term procurement plan unchanged and simply adding the shortfall to future budget request. December 1987, Department of Defense – DOD was recommending, among other things, a ten thousand person reduction in the army to reduce its 1989 budget request. By November 1989 the army had downsized from 871,000, where it has stabilized during the late 1970s, to 770,000. … In May 1989, General Collin Powell was one of first senior army officers to suggest (at least publicly) that dramatic reduction and restructuring of the army was inevitable\(^4\). Six month later appointed the Chairman of Joint Chiefs of Staff, Powell become the catalyst for many of the decisions affecting the army’s transitions to the post – Cold War era. … In November 1989 – days after the fall of Berlin Wall – Powell presented his Base Force concept Secretary Dick Cheney and President George Bush. Both reserved judgment on the proposal, but encouraged Powell to continue to refine his thinking (Powell, 1995, p.437-439).”
\item[14.] Schmitt, Eric (1993). Clinton Seeking $14 Billion Cut By the Military. The New York Times. New York. February 04, 1993. Notes: “Before he left office, President Bush had already proposed spending $3 billion less on the military in the next fiscal year… But Mr. Aspin's directive would cut the spending by nearly four times as much and make the Clinton Administration's first step toward honoring a campaign pledge… In general, Mr. Aspin is using the Cheney plan as a basis, while seeking deeper cuts. Mr. Aspin, for example, directed the Pentagon to comply with legislation that forces in Europe be reduced to 100,000 troops by 1996 from about 185,000 now.” Online: http://www.nytimes.com/1993/02/04/us/clinton-seeking-14-billion-cut-by-the-military.html (23/08/2013)
\end{itemize}
At that time, the company officially announced that its aim behind Blackwater was “to fulfill the anticipated demand for the government outsourcing of firearms and related security training.”\(^{(16)(18)}\) At the same time, the first president of Blackwater, Bill Masciangelo, stated that “there was a need for training for military and for Special Operations units, because most of the ranges and facilities were World War II and they were antiquated.”\(^{(17)}\)

The initial concept for the company expanded to include security operations, aviation support, paratroop training, canine services, the manufacturing of armored personnel vehicles, training for protection in the maritime sector, law enforcement, and foreign military operations.\(^{(19)(20)}\) The future of the company was solidified in a set of circumstances where nothing was forced upon anyone. But legally (and with that, socially), nothing was thought through in the context of long-term consequences.\(^{(21)}\)

---

17. Ibid p.91.
21. Bennett, Brian (2007). Victims of an Outsourced War. Time magazine. Mar. 15, 2007. Online: http://www.time.com/time/magazine/article/0,9171,1599682,00.html or http://www.evangeland.com/current-events/the-new-army/victims-of-an-outsourced-war.html (29/11/2013) Notes: “The Pentagon didn't plan for the contractors going so heavily into the war theater, says Lawrence Korb, Department of Defense manpower chief under President Ronald Reagan.” “When they went into Iraq, the assumption was they had won”, he says. “They did know there was going to be continuing fighting. This thing grew far beyond where anybody thought it would”.

27
6.4 Chronology

According to the accounts of Al Clark in Jeremy Scahill’s *Blackwater*, the company “hit the ground running.” The Blackwater Company’s (today’s Academi Company) training facilities were strategically located in proximity to several large military installations, such as the U.S. Army’s Marine Camp Lejeune at Fort Bragg, The Norfolk Naval Station in North Carolina, Virginia, as well as several federal law enforcement agencies and stations of U.S. intelligence.

By 1998, Blackwater was training private and government customers in the use of a variety of small arms weapons, and leasing out the facility to SEAL naval units for their training. In the same year, Blackwater started hosting a police and military handgun competition, which would later become an annual gun show for the small arms industry and its related enterprise known as “Shoot-Out at Blackwater”. Police officers from Virginia, North Carolina, and Canada enrolled in Blackwater training programs, and the company began to receive inquiries from foreign governments.

---

We are all aware of the horrific incident that took place on April 20, 1999, at Columbine High in Littleton, Colorado. In research and official law enforcement statistics, it has been written that “no consistent pattern of increase or decrease was observed in the number of homicides at schools.”(27) The fatal shooting that would be named the “Columbine massacre” was followed by several other violent incidents through the year. It spread panic among law enforcement agencies, and started a review of ability for responding to such incidents. The National Tactical Officers Association (NTOA) also stepped in to offer help in the form of designed training.(28)(29)(30)

In September 1999, more than three hundred Special Weapons and Tactics (SWAT) officers found their way to Blackwater’s training center exercise facility called “R U Ready High School”. The NTOA provided $50,000 in finances for the project. The excess expense was covered by Blackwater Company, and was advertised in the context of the nation's premier private firearms center. In the words of Erik Prince, the Blackwater owner at the time, “It is a reminder that vigilance is the price of liberty, and we need well-trained law enforcement and military. … There is no shortage of evil in the world. … Blackwater fills a void that SEALs have long realized existed.”(31) The expedience of construction convinced the NTOA, to split its sixteenth annual conference between Virginia Beach and Blackwater's training center in North Carolina.(32) The sixteenth annual event drew tactical teams and police officers from all fifty U.S. States, Canada, Haiti, England, and Belgium.(31)

29. Buerger, E. Michael and Buerger, E. Geoffrey (2010). Those Terrible First Few Minutes: Revisiting Active-Shooter Protocols for Schools. Online: http://www.fbi.gov/stats-services/publications/law-enforcement-bulletin/September-2010/shooting-feature (30/07/2013) Notes: The term active shooter entered the national lexicon in the wake of the fatal shootings at Columbine High School, a tragic capstone to similar devastation in other locales. The dynamics of Columbine redefined police response practices and spawned a constellation of in-school prevention initiatives. The educational community has placed considerable focus on having a plan in place against a dire eventuality. The industry standard protocol is geared to targeted school violence by an aggrieved student, which has been the modal category of school shootings in recent years.1 However; incidents meeting this definition represent only one of the potential active-shooter threats.
30. Eriksson, H. William (2001). The Report of Governor Bill Owens – Columbine Review Commission. p.ix-x. Online: http://www.state.co.us/columbine/Columbine_20Report_WEB.pdf (02/10/2013) Notes: “...It findings set out at length bellow, support a number of recommendation for remedial and preventive measures at all levels of Colorado’s governmental structure, and by executive and legislative branches of the state and local government: A Recommendation Relating to Crisis Response Actions. Law Enforcement policy and training should emphasize that the highest priority of law enforcement officers...”
On February 1st, 2000, having made its name within the law enforcement community, Blackwater took a significant step forward and received its first General Services Administration (GSA) contract, shortly called a “GSA schedule”. With an approved list of goods and services, the company could sell to federal agencies at pre-arranged/published prices (see Table 2). They offered services on an approved schedule, allowing governmental acquisition departments the choice to acquire the service that best suits their mission and budget requirements. The GSA essentially exposed the company to potential government customers and opened up the possibility for long-term contracting.

Table 2 Blackwater – GSA schedule.

<table>
<thead>
<tr>
<th>Use off</th>
<th>Cost</th>
<th>Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tactical training area</td>
<td>$1,250 per day</td>
<td>Less than 20 shooters</td>
</tr>
<tr>
<td><strong>Urban training area</strong></td>
<td>-----</td>
<td>-----</td>
</tr>
<tr>
<td>“R U Ready High”</td>
<td>Component / $1,250 per day</td>
<td>Less than 30 people</td>
</tr>
<tr>
<td>“R U Ready High”</td>
<td>Component / $1,500 per day</td>
<td>More than 30 people</td>
</tr>
<tr>
<td>Shooting Range</td>
<td>$50 per day / $500 minimum</td>
<td>per person</td>
</tr>
<tr>
<td><strong>Instructor to teach classes</strong></td>
<td>-----</td>
<td>-----</td>
</tr>
<tr>
<td>Executive protection</td>
<td>$1,200 per day</td>
<td>/</td>
</tr>
<tr>
<td>Force protection</td>
<td>$1,200 per day</td>
<td>/</td>
</tr>
<tr>
<td>Close quarter battle</td>
<td>$1,200 per day</td>
<td>/</td>
</tr>
<tr>
<td>Ship-boarding movement</td>
<td>$1,200 per day</td>
<td>/</td>
</tr>
<tr>
<td>Hostage rescue</td>
<td>$1,200 per day</td>
<td>/</td>
</tr>
</tbody>
</table>


34. Ibid. p.102.
James Frank Smith Jr., former CIA officer and former employee of Blackwater USA, described the GSA schedule in an interview:

“It’s like having a Wal-Mart to the government…. Having a GSA contract allows the government to go in and buy things from you without having to go out to bid really…. It's a hand-shake-type thing and you say; here’s our GSA schedule, and let's see what we can do.”(37)(38)

Blackwater's first GSA contract payment was in March 2000 for $68,000,(37) and for the whole of 2000, Blackwater had received $204,000 worth of government contracts.(39) But same amount received from the first GSA contract was donated by Erik Prince to the Republican National State Elections Committee in same electoral year that George W. Bush became president.(37)(40) Also in the same year, an entrepreneurial collaboration between Erik Prince and Al Clark ended with Clark leaving the company, having stated his reasoning in an interview:“Just call it philosophical differences.”(41) A new company called “Special Tactical Systems” was a new corporate venture for him and former Blackwater and SEAL employee, Dale McClellan.(41)(42)

42. Ibid. p.103.
October 12, 2000, there was an attack in the port of Aden on the USS Cole, for which Osama bin Laden was labelled responsible.\textsuperscript{43} The result for Blackwater was the company’s first long-term federal contract for $35.7 million with the Pentagon, under which they were asked to conduct training for more than 10,000 sailors from Virginia, Texas, and California each year in “force protection”.\textsuperscript{43,44}

In May 2001, Admiral Vernon E. Clark reported to the Senate Armed Services Committee in case of “force protection”. A segment retrieved from the full statement states:

“The attack on the USS Cole was a terrible tragedy and dramatic example of the type of threat our military forces face worldwide on a day-to-day basis, emphasizing the importance of force protection both today and in the future. The Navy has taken action at home and abroad to meet this challenge, undergoing a sea change in the way we plan and execute self-defense. We have enhanced the manning, training, and equipping of naval forces to better realize a war fighter’s approach to physical security, with AT/FP serving as a primary focus of every mission, activity, and event. Additionally, we are dedicated to ensuring this mindset is instilled in every one of our sailors.”\textsuperscript{45}

These notions can be confirmed by a 2005 speech at George Washington University Law School given by previous Blackwater vice president, Chris Taylor:

“The Navy appropriately responded realizing that in order to combat today's terrorist threat, all sailors would need substantial training in basic and advanced force protection techniques. The Navy moved swiftly to create a sound training program, the majority of which Blackwater now executes and manages all over the country. Sailors the world over are now better prepared to identify, appropriately engage, and defeat would-be attacks on naval vessels in port and underway. To date, Blackwater has trained some 30,000 sailors.”\textsuperscript{46}

\begin{flushright}
\textsuperscript{44} Ibid. p.105.  \\
\end{flushright}
On September 27, 2001, two weeks after 9/11, Erik Prince guest-starred on the Fox television talk show The O'Reilly Factor, making the following statement: “I've been operating in the training business now for four years and was starting to get a little cynical on how seriously people took security. … The phone is ringing off the hook now.” He was a guest of the talk show in the context of air marshall - training program which would bring the company a contract with the Federal Bureau of Investigation (FBI).\(^{(47)}\)

In December 2001, former CIA operative James Frank Smith Jr. joined Blackwater full-time. His and Erik Prince’s stipulations resulted in the incorporation of a new consulting company. As stated in an interview given by account of Smith, “There were already companies doing similar things. There wasn't a lot of public knowledge surrounding that. DynCorp was working, there were other companies, SAIC, that were doing something along the same lines.” Then, after 9/11,

“Prince called and said, 'Hey I'd like you to consider a full-time job and come back to work with us, and I told him that was interesting to me and that I would consider doing that with the caveat that we could create this security company. … I was told, 'You can't devote all your time to this because it's not going to work.' They said, 'You can devote about 20 percent of your total time to this, but no more than that-you need to stick to what you're doing now.'\(^{(48)}\)

Under those circumstances, on January 22, 2002 in Delaware, Blackwater Security Consulting (BSC) was incorporated. In April 2002, BSC’s first contract was offered by the Central Intelligence Agency (CIA) for protection services in Afghanistan. Alvin Bernard “Buzzy” Krongard, executive director of the CIA and the agency's “number-three” at that time, played a key role in accounting for the company’s first security consulting, no-bid contract.\(^{(49)}\)

---

In March 2003, U.S. forces entered Baghdad. The company’s GSA schedule and political connections were positioned for one of the most lucrative contracts yet: providing protection detail for Ambassador Paul L. Bremer in Iraq.\(^{50}\) In the same year, in an interview, Blackwater president and former Navy SEAL Gary Jackson commented “that he can't tell one federal agency about the business he's doing with another.”\(^{51}\) At that time, the Blackwater Company had contracts with the Pentagon, US Intelligence agencies, and the State Department.\(^{52}\)

On September 2, 2005 Joseph Edward Schmitz resigned from his position as Inspector General of the Department of Defense. The former executive of Blackwater Worldwide chose to take a position the Prince Group.\(^{53}\)(54)(55)

Also in September 2005, Robert G. Richer opted for early retirement from the CIA, where he was the associate deputy director of operations and second in command to the Operations Directorate (the section of the agency responsible for human operations overseas), where he served under Jose A. Rodriguez Jr. After his early retirement from the CIA, Richer took up employment in Blackwater USA as vice-president for intelligence.\(^{56}\)

In January 2007, Richer created Total Intelligence Solutions (TIS) in cooperation with Joseph Cofer Black and Matthew G. Devost, co-founder and president of the Terrorism Research Center (TRC). In subsequent years, it was confirmed that both companies were in fact part of the Prince Group. Black was a former CIA officer (1974-2002) as well as director of operations for the Far East and Asia at the Counterterrorism Center (1999-2002). Moreover, he was Ambassador at Large for the State Department’s counter-terrorism act (2002-04), Blackwater board member/Vice Chairman, and head of the TIS (2005-2008). He served as foreign policy and intelligence advisor to Mitt Romney in his presidential campaign (2008-2012). Finally, as of 2013, Black was appointed Vice President of Blackbird Technologies.

In February 2009, the company changed its name to Xe Services, LLC. The reason behind the change was primarily because of the number of controversies surrounding the operations in Iraq, including the combat operations in Fallujah, Najaf and the Nisour Square shooting. In fact, there were other less-known controversies in Afghanistan. Immediately after the last incident, the company changed its name to distance itself from the everlasting publicity of the aforementioned controversies.

---

In September 2010, the United States Committee on Armed Services published the Second Hearing of February 24, 2010: *Contracting in a Counterinsurgency: An examination of the Blackwater-Paravant Contract and the Need for Oversight*. News agencies began publishing the story from September 3 onwards. One specific point of interest to the committee was Xe Service’s creation of 31 shell companies to contract with the government of United States (the company had already been renamed Xe Services, LLC at this point).(64)(65)(66)

On September 16, 2010, Monsanto responded to an article titled “Blackwater’s Black Ops” by Jeremy Scahill in *The Nation*, a weekly journal.(67) The article connected three companies: Total Intelligence Solutions (TIS), Blackwater (Xe Services), and Monsanto. It commented on the services rendered by TIS under the contract of the Monsanto Corporation. The company responded with an explanation:

“Monsanto did not hire Blackwater nor did we approve of the firm infiltrating any groups as was suggested in the Nation article. In 2008, 2009 and early 2010, a firm called Total Intelligence Solutions provided Monsanto’s security group with reports about activities or groups that could pose a risk to the company, its personnel or its global operations. The safety of our people is our utmost priority and we value the communities in which we operate. All information provided by TIS was developed by monitoring local media reports and other publicly available information. The subject matter ranged from information regarding terrorist incidents in Asia or kidnappings in Central America to scanning internet blogs and websites. Prior to retaining TIS, Monsanto specifically enquired about and was informed that TIS was a completely separate entity from Blackwater. Beyond the content of the Nation article, we have not engaged people to infiltrate firms/activist groups and we do not condone that type of behavior.”(68)

It should be noted that, when TIS was established, the company’s founders presented it as separate and independent. However, the majority of its founders were not only employed by then Blackwater, but were members of the Board. Simultaneously, company was the structural part of Prince Group and with that part of Blackwater.

On December 17, 2010, Xe Services was sold by its owner, Erik Prince. Security and training operations were taken over along with the employees. All of its mobile and fixed assets were acquired by the investor group USTC Holdings for about $200 million, and a new company image and name was prepared: Academi, LLC.(69)(70)

On December 12, 2011, the unveiling of new name for Xe Services was reported by the Wall Street Journal. The new CEO of the Academi Company, Ted Wright, stated, “I tell them, from now on, I'm going to be in the background; I'm going to be boring. … You're not going to see me in headlines.” However, the company was evidently proud of its former accomplishments and conformation, having said that “it has trained 50,000 people and conducted more than 60,000 protective security missions around the world in the past seven years.”(71)(72) Moreover, the following statement is visible on Blackwater USA’s company webpage: “Blackwater is now a global brand that stands for everything the men and women of Blackwater stood for: Excellence, Reliability and Unfailing Commitment to Duty and Service. Those same qualities are now found in the officially licensed Blackwater products and customer service.”(73)

73. Blackwater USA (2013). Blackwater name, logo, and designs are licensed to BW Brand. PG Investments of Virginia, LLC. Online: http://www.blackwaterusa.com/ (15/01/2013)
From 2011 to 2013, the Academi Company has undergone significant changes in the form of company board members and management personnel. The company took on board, for example, a new CEO, retired US Army Brigadier General Craig Nixon, as well as Doug Lee as Chief Financial Officer, Jill Pettibone as Chief Administrative Officer, and Suzanne Folsom as Senior Vice President (SVP), General Counsel, and Chief Compliance Officer. The Academi also received on a new band of board members, in form of Billy Joe “Red” McCombs as Chairman, Independent Director John Ashcroft (Former U.S. Attorney General), Director Dean Bosacki, Director of Academi Holdings Jason DeYonker, Board Director Bobby R. Inman (retired Admiral), Independent Director Jack Quinn, and last, but no least Director Russ Robinson.\(^\text{74}\)

6.5 Summary

The case of the Academi Company does not represent a short and controversial history, but the combination of company operations and some of the key personnel involved. This combination of interrelationships and security in the context of PMSC represents a microcosm of economic and sociological opportunity. The industry, then, represents the future of society in the hands of individuals, groups and armed contractors with pragmatic policymakers’ views. This pragmatic perspective can be found in one concluding paragraph:

“As the current public policy debate rages on, one thing is for certain: the first order of society is to be secure. People will seek out security and protection from the means that are available. If the public sector is not up to the task, the private sector will step up to provide the services.” (Kornburger and Dobos, 2007, p.31)

The fact that services in the private sector are and will always be provided on the basis of affordability has always been excluded out of this pragmatic opportunity. Simply put, security will be provided for those in society who can afford it, and the others will be excluded by default. As a result, it is necessary to model the case into a network which presents interrelationships and attributes credits between individuals and organizations. This will serve as a reference point for further-grounded argumentation and examination for final judgment in the context of society and security. Connection can be found in observation of Stephen Borgatti and Martin Everett based on Barry Wellman view:

“Social network analysis differs from traditional social science in that traditional social science studies personal attributes whereas network analysis studies social relations. While we agree with this distinction, as methodologists, we would prefer to put it another way.” (Borgatti and Everett, 2013, p.1)

This part of case (analysis) encapsulates the cross that network dynamics brings to the thesis research, and connects the networked power structure between individuals and organizations. This will allow any perceived historically omnipresent phenomenon to be viewed as a new pragmatic prevailing style for individuals and/or groups as a social and economic solution in the twenty-first century.
7. NETWORK ANALYSIS

This chapter is concentrated on the general relationships of individual network connectedness, identifying the key actors, and examining the group they form in the context of society. David Krackhardt has said that “it takes time to find out who the key actors are and what positions and actions they are likely to take” (Krackhardt, 1996, p.161). In charting a structure of power which underlies society and all of its complexities, it is necessary to consider any existing and potential barriers. According to William G. Domhoff, “power structure studies are really a combination of network analysis and content analysis” (Domhoff, 2012). This combination allows for a contextually-mapped power structure among private companies, public/governmental agencies, individuals and public officials.

“Overlapping and intersecting socio-spatial networks of power” are known as “four sources of social powers,” or in short, the “IEMP – ideological, economic, military, and political relationships” model (Mann, 1986, p.1-2a). In the case of the Academi Company, these relations were identified in a particular way. First of all, sources for this data include journalistic reports and published literature on the subject about individuals and companies directly connected to the case. The second part consisted of publicly-available biographical data, documents and records, as well as officially published company information. Data from two sources confirmed the existence of an established link between actors and companies. It was identified as present or former connections and if any of the following occurred:

- presence of members in the board of directors;
- membership or association in any organizations;
- active participation or work in any other institutions (private or public); and
- any identified connectedness or belonging to the same group of people.

All of these elements of data were collated into an Excel spreadsheet, then coded as the stakeholder’s name and the organization or company connection. Once the data was collected and collated, it was analyzed through network analysis software UCINET 6, which calculates the necessary network measures to create network graphs/maps with the assistance of NetDraw. Using NetDraw produces network maps/graphs to show various levels of connectivity. A combination of main data characteristics, network graphs and diagrams allows for the ability to see and interpret the complexity and value of the network structure in each individual and the network itself.
7.1 Data Analysis

Each network has its own set of challenges. No general formula for analyzing networks has been proposed. They can be highly fragmented, meaning only a few members connect the different areas. Other networks are fairly well-connected, but have few members who are highly connected. In the first example, creating more connections between the different areas would keep the network from becoming completely fragmented. In the second, the best solution might be to task some of the highly connected members’ secondary associations’ to others so they can focus on the areas in which they have the most influence. In that context, every network is subject to analysis to find the most effective solution for the presented problems. The following analysis provides a focusable map for the Academi case regarding power structure within a network of involved individuals and organizations.

This two-mode matrix structure consists of 45 individuals and 45 connecting organizations. Separate interactions between individual persons in a network and individual organizations were not analyzed. However, the data presented draws on the results of analysis as well as information collected for further interpretation of the interactions between the individuals in the network.

As implied, there are a number of network measures used to analyze the nature of the actual relationships between individuals. The two-mode matrix data network in this case consists of sets of relations connecting persons and organizations, rather than direct connections between individuals/persons as in one-mode data. Measures associated with the network are useful in understanding and analyzing a variety of contexts. For example, in Table 3, the network measures used are most frequent and interpreted to a greater extent or otherwise casually referenced. The most typically discussed topics include prestige, distance, closeness, and centrality; other topics include in-degree, out-degree, connectedness, and betweenness, as described by Wasserman and Faust (1994) and Knoke and Yang (2008) (see Table 3).
Table 3 Network measures.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Closeness</td>
<td>Indicator of how quickly interaction can occur between actors</td>
<td>How immediately an actor can interact with others by communicating directly or through very few intermediaries</td>
</tr>
<tr>
<td>In-degree</td>
<td>Indicator of an actor’s possession of information or resources</td>
<td>The number of people who go to an actor for information</td>
</tr>
<tr>
<td>Out-degree</td>
<td>Indicator of an actor’s knowledge of information or resources others Possess</td>
<td>The number of people an actor goes to for information</td>
</tr>
<tr>
<td>Connectedness</td>
<td>Indication of the ease with which and actor can communicate with other members of the network</td>
<td>The summation of an actor’s In-degree and Out-degree</td>
</tr>
<tr>
<td>Betweenness</td>
<td>Indicator of control over information exchange or resource flow within the network</td>
<td>The extent to which other actors lie on the shortest distance between pairs of actors</td>
</tr>
<tr>
<td>Prestige</td>
<td>Emphasizes inequalities in control over resources, as well as authority and deference accompanying such inequalities</td>
<td>The extent to which a social actor within a network &quot;receives&quot; or &quot;serves as the object&quot; of relations sent by others in the network</td>
</tr>
<tr>
<td>Distance</td>
<td>Indicator of how directly communication occurs</td>
<td>The length of the shortest path between two actors</td>
</tr>
<tr>
<td>Centrality</td>
<td>Indicator of extensive involvement in relationships with other actors</td>
<td>The extent to which a node connects to all other nodes</td>
</tr>
</tbody>
</table>


The increased importance and direction of specific concentration for network measure results can be seen through comparing diagrams. Figures 1, 2 and 3 represent the management and board of directors of the Academi Company, demonstrating a direct connection between former and present company/individual members. The two-mode affiliation concentrated on specific data results and yielded in perspective or emphasis on underlying points, hidden in collected data.

Fig. 1 Present and former members of the management and board of the Academi Company

Source: Malinić (2014)
Fig. 2 Connections between present and former members of the management and board of the Academi Company and former Blackwater/Xe Services.

Source: Malinić (2014)

Fig. 3 Connections between former and present members of the management and board of Blackwater/Xe Services and the Academi Company.

Source: Malinić (2014)

The above diagrams present only direct connections between individuals and organizations if the same data is demonstrated in the two-mode matrix affiliation network. Figures 4, 5 and 6 show how the first significant difference in measured data demonstrates all of the possible connections in the network.
It is necessary to emphasize that Figures 2, 3, 5 and 6 were manipulated in their points of connection between the Academi Company and Blackwater/Xe Company. Further investigation on manipulated data has showed that no other changes to the overall matrix-measured results were found.

**Fig 4 Map of all connections to the Academi Company.**

![Map of all connections to the Academi Company](image)

Source: Malinić (2014)

**Fig. 5 Map presenting all connections and connected affiliations between the Academi Company and the former Blackwater/Xe Services.**

![Map presenting all connections and connected affiliations between the Academi Company and the former Blackwater/Xe Services](image)

Source: Malinić (2014)
Fig. 6 Map presenting all connections and connected affiliations between the former Blackwater/Xe Services and the Academi Company.

Source: Malinić (2014)

The next diagram to be analyzed is shown in Figure 7. It represents all connections in the two-mode matrix network where all of the familiar affiliations in the network are included. The results reveal specifically positioned organizations at the center of an affiliation spider web.

Fig. 7 Map showing all connections of member’s and organizations in a network.

Source: Malinić (2014)
The individuals affiliated with the organizations' associations or connected through third-party associations present possible connections or future associations. Compared with the results received and presented in Figure 8 as one mode, this allows for a distinct interpretation on the basis of network measures to be drawn. Some changes made to the network or the measured power structure would increase the effectiveness of the referred structure. Improving the effectiveness of connections in a networked structure would have a positive effect on the established power structure.

Fig. 8 Map showing all connections of members in a network.

Source: Malinić (2014)

However, any actions toward improvement would be highly questionable from both the social and strategic standpoint of the networked structure. The more the network presents larger connectivity and the state of power conflation, the more rapidly it draws attention in society. The higher the societal attention, the poorer the strategic effects on the power-structured network. The poorer the strategic effects, the stronger the public/social control. The stronger the public/social control, the bigger the requirement to adapt the network to the situation, or transform the structure where the level of improvement increases to the requirement of the network. With all of that said, the improvement of connectivity is inevitable. The significance to actors and society is that improvement lies between network requirements and strategic goals. Where requirement materializes, desire is a need and strategic goal, or as Alessio Ishizaka and Philippe Nemery have written:
“Choice problems, there are also classification problems that have existed since classical times. In the fourth century BC, the ancient Greek philosopher Epicurus arranged human desires into two classes: vain desires (e.g. the desire for immortality) and natural desires (e.g. the desire for pleasure). ... Most of the time, there is no one, perfect option available to suit all the criteria: an "ideal" option does not usually exist, and therefore a compromise must be found. To address this problem the decision maker can make use of naive approaches such as a simple weighted sum." (Ishizaka and Nemery, 2013, p.1-2)

In the sphere where “need and desire” are required to be fulfilled, the network’s strategic planning is necessary to reach a desire on account of overall structure. Regarding the overall structure, society and network is a means to an end. Again, this can be demonstrated by taking any individual out of the case’s network matrix to demonstrate specific connections. It can also be demonstrated by concentrating on specific events as important, and can be presented as an egonet, as seen in Figures 9 and 10.

Fig.9 Egonet for individual “A” in a network with all represented connections.

Source: Malinić (2014)
However, it needs to be indicated that individuals involved in network analysis are usually sought when a network’s measurement and analysis purpose is to indicate ineffectiveness. In the case of power structure, the extent of the individual egonet importance is based on the connection between another individual and the event in the network. This means that the network-measured results of interrelated parts of variable value in network structure can be interpreted only with contextually-collected data and information with the objective of determining outcome.

It may be of interest to approach this through the lens of Charles Peirce’s mathematical argumentation. Peirce agrees with Kant view that a “mathematician uses what, in geometry, is called a ‘construction’, or in general a diagram, or visual array of characters or lines” (Butler, 1898, p.213). However, the mathematical and philosophical reasoning according to Peirce exists with one primary difference: mathematics aids logic and logic is a part of philosophy, which is the science of drawing necessary conclusions.

2. Ibid. p.214. Online: http://openlibrary.org/books/OL13517145M/Educational_review (20/10/2013) Notes: “… that, in mathematics, the reasoning is frightfully intricate, while the elementary conceptions are of the last degree of familiarity; in contrast to philosophy, where the reasoning’s are as simple as they can be, while the elementary conceptions are abstruse and hard to get clearly apprehended. “… so that its principal reasoning’s are not mathematically necessary at all, but are only necessary in the sense that all the world knows beyond all doubt those truths of experience upon which philosophy is founded.”
7.2 Summary

Individuals by themselves are non-organized entities in society. Networks, on the other hand, are large and widely distributed groups of people or things. They feature informal relationships, which can bring advantages and opportunities (as well as groups of informal relationships, known as elites). Essentially, networks of individuals should be viewed as individually-organized groups that command certain resources, such as political resources, economic resources, knowledge, etc. With that, they have the ability to affect the behavior and beliefs of others; this ability is power.

If elites are groups with different forms of power, then an organizational system or structure enables them to obtain the aforementioned resources from non-organized entities in societies or among non-elites. In order to do so, elite groups coexist with other elite groups. As Lachmann explains, “different groups of elites must cooperate, or at least tolerate each other, in order to preserve their own access to non-elite resources and to protect themselves from encroachments by other elites” (Lachmann, 1990, p.401)(3). However, when one, single elite group exists without constrains or opposition, “that elite’s fundamental interest will be to reproduce its exploitative relation vis-à-vis the producing class, and its capacities and interests will be directed solely against the subordinate classes” (Halperin, 2013, p.27)(4).

In the end, elite groups are prepared to defend encroachment by other elites. They are prepared to cooperate amongst themselves and to maintain access to non-elite resources. It goes without saying that cooperative or unconstrained protection to access of non-elite recourses among elite exists. By default, they are prepared to use any strategic advantage inside of a structured network to reach their desired goal on account of overall structure.

8. THREE ASPECTS OF PRAGMATISM

The purpose of this chapter is to decide on three aspects of pragmatism in connection with previous sections and chapters. The aim is to answer how power conflates in private military and security companies while simultaneously drawing on security questions (either military- or society-based) in the thesis and following section.

This chapter emphasizes the importance of two sides, where problem and solution are to each other equal, in the sense of overall structure or society, where a problem to one is a solution to the other. The higher the extent of the pragmatic solution, the higher the comparable problem, and vice versa. It is necessary to seek a solution to understand the problem. Understanding the problem is, in essence, finding a solution. Decisions regulating the environment of the overall structure are and have always been pragmatic. This notion holds that the solution to understanding is always pragmatic. To achieve this, it is necessary to concentrate on fundamental pragmatism and to connect it, pointing to the central theory and subject at hand.

Pragmatism, as much it may appear more awkward for this analysis than the other theoretical approaches, is a base with a dominant position in American society and international relations when it comes to political decisions and actions to be taken. The reasoning behind this choice is that argumentation allows for sense in political approaches to policy and decisions. Furthermore, from a philosophical and analytical standpoint, simplicity and practicality is the core of every problem and its solution. This is an excellent waypoint from which to examine and interpret the view. We are allowing the problem and solution to be argued from the same vantage point.

The complexity of this combination may require broader explanation. Accurate and appropriate interpretation of the subject is not questionable if the idea can be explained. This is the essence through which we may draw out the central and fundamental core of the argument and judgment.
9. INTRODUCTION

“The order of our study must be analytic. …who loves the fullness of human nature will prefer to follow the “analytic” method, and to begin with the most concrete facts, those with which he has a daily acquaintance in his own inner life. The analytic method will discover in due time the elementary parts, if such exist, without danger of precipitate assumption.”

William James, 1892: Text-Book of Psychology

9.1 Examination

Questions of power (war, peace) and security are subject to countless theories, methods, and points of view. The attempt is not to cover them all, but through a broad pragmatic lens, to encircle and examine the question of power conflation in the PMSC. Furthermore, the aim is to analyze any developing consequential patterns, which can be perceived from case and network analysis. Reviewing the data in different pragmatic focus should enable the ability to draw a more accurate and inclusive conclusion through and from pragmatic examination. The methodical process of examination will be questioning the problem through traditional theory to the extent that particular theory in its pure form can explain. If theory is not fully applicable, it will, to some degree, provide understanding or an overview, at very least.

The purpose of this analysis is not to dismiss the conclusions drawn in any of the previous analysis and summaries, but to put these into perspective. This perspective will be developed through pragmatic re-examination and exploration, aiming to identify any interconnectedness that can be found in economic and political factors, as well as the specific theoretical approach currently being used. The summary examination aims to re-test applied theories, which will be done regardless of the results, as it needs to be known whether the theories used are at all relevant to the chosen frame. This re-confirming examination will allow for more convincing arguments and conclusions, especially in points where the judgment and conclusions are drawn from theory.
9.2 Charles S. Peirce: Pragmatism and Logic

Charles S. Peirce is regarded as the founder of pragmatism and titled by Philosopher Paul Weiss as being “the most original and versatile of America's philosophers and America's greatest logician” (Weiss, 1934). Not only that, but Peirce’s take on pragmatism is the right starting path of examination because of the basis in his pragmatic logic. Therefore, an appropriate start to the theoretical process lies within a consideration of Pierce’s pragmatism, where “the meaning of an idea or proposition is found not by an intuition of it but by working out its implications. … Pragmatism, according to Peirce, seeks to define the rational purport, not the sensuous quality” (Cohen, 1923, p.XXI).

Defining conflation in the PMSC directly as “merger of two or more things into a unified whole.” This would involve more of an attempt in the form of a legal investigation than research. Seeking a defining rational for intended state of power conflation in PMSC needs to be done through implications, as logical relations where “propositions are logically related in the sense of reasonableness if the truth or falsity of one requires truth or falsity in the other.”

In his Monist papers The Architecture of Theories, Peirce identified Kant’s theory that systems should be “constructed architectonically,” and even widens the view to “form an opinion concerning fundamental problems, should first of all make a complete survey of human knowledge, should take note of all the valuable ideas in each branch of science.”

(Cohen, 1923a, p.158).

1. Weiss, Paul (1934). Entry on Peirce in Dictionary of American Biography. Online: http://www.cspeirce.com/menu/library/aboutscp/weissbio.htm (1/10/2013) Note: …James called Peirce the most original thinker of their generation; … This much is now certain; he is the most original and versatile of America's philosophers and America's greatest logician.
3. Britannica (2013). Logical relation. Encyclopaedia Britannica. Online: http://www.britannica.com/EBchecked/topic/346378/logical-relation (10/10/2013) Note: …logical relation, those relations between the elements of discourse or thought that constitute its rationality, in the sense either of (1) reasonableness or (2) intelligibility. A statement may be perfectly intelligible without being based upon any good evidence or reason, though of course no statement can be reasonable without its being intelligible. …Statements or propositions are logically related in the sense of reasonableness if the truth or falsity of one requires truth or falsity in the other.
4. Merriam & Webster (2013). Implication. Merriam-Webster Inc. Online: http://www.merriam-webster.com/dictionary/implication (10/10/2013) Note: (1) …a logical relation between two propositions that fails to hold only if the first is true and the second is false (2) a logical relationship between two propositions in which if the first is true the second is true.
Now, the state of power conflation in the PMSC is more than just a phenomenon in twenty-first century. Prevailing style is not obscured by “an idea which has been found interesting and developed to yield explanations of phenomena.” (Cohen, 1923b, p.157) but rather obscurity originates in the non-implementation of logical relations.

Therefore, we should draw on the recommendation of a “complete survey of knowledge,” where “relations” intersect with power theory resource factors; “de jure political power allocation is determined by political institutions, and de facto power possessed by group as a result of their wealth, weapons, or ability to solve the collective action problem” (Acemoglu and Robinson, 2008, p.268). Connected with the famous dictum of war, Carl von Clausewitz’s definition of collapse in political processes holds that “war is merely the continuation of policy by other means” (Yarger, 2006, p.6). This allows us to connect with Nazli Choucri’s Cyberpolitics in International Relations, in which he reflects on today’s contemporary and digitalized world. Moreover, in The Rise of the Virtual State, Richard Rosecrance has written that “the essence of the virtual state lies in its ability to garner the power of finance and ideas and transform them into sources of global influence” (Choucri, 2012, p.10).

---

6. Acemoglu, Daron and Robinson, James (2008). Persistence of Power, Elites, and Institutions. American Economic Review. 98:1. p.268. Online: http://economics.mit.edu/files/4481 (23/09/2013) Note: “…impact of institutions on economic outcomes depends on the interaction between de jure political power, whose allocation is determined by political institutions, and de facto political power, which is determined by the equilibrium investments and organizations of different groups. De facto power is often essential for the determination of economic policies and the distribution of economic resources, but it is not allocated by institutions; rather, it is possessed by groups as a result of their wealth, weapons, or ability to solve the collective action problem. A change in political institutions that modifies the distribution of de jure power need not lead to a change in equilibrium economic institutions if it is associated with an offsetting change in the distribution of de facto political power (e.g., in the form of bribery, the capture of political parties, or use of paramilitaries)”.

53
Drawing on the survey of knowledge and implications on top of the introduction of the thesis, the forms of implications mentioned on account of PMSC are seen as a “threat … to democratic principles of accountability and process [of] unexamined shift from public to private governance” (Verkuil, 2007, p.2). (7)

“Outsourcing enhances PMC influence on the foreign policy process and control in use of violence … [and in] the process are consulted in all kinds of security related matters. Sometimes, this consultancy will concern how to best deal with a given political priority.” (Leander, 2005, p.7) (8)(9)

This means that implications permit explanation in the state of power conflation, as privatization and outsourcing of security allows the PMSC to shape the understanding of security, threats, and national interests, leveraging it through political institutions which influence foreign and domestic policy. This again allows a shift from public to private governance, and with that, global influence through the PMSC. This allows the contemporary state to hold a global influence through the PMSC, where resources of finance and ideas are protected by de facto power allocated by political institutions on de jure political foundations.

9.3 John Dewey: Pragmatism and Ethics

One of the inherent problems with pragmatism is not that interpretation can be subjective or objective, but that pragmatism allows the political environment to stand a test of morality when it comes finding solution to a problem. This speaks to “whether what is good in immediate experience has consequences for latter experience that warrant accepting the immediate good as a true good” (Rockefeller, 1991, p.407).\(^{(10)}\)

John Dewey acknowledges the fallible characteristics of pragmatism. However, when we talk about the political environment and taking a pragmatic stand, we are drawing legal or—better yet—taking political actions based on the “immediate good as a true good.”\(^{(10)}\) Then we come to the questioning of legislation and practices put forward by legislators.

Allowing the existence of the PMSC based on a pragmatic stand is void of morality. If we scrutinize through propositions on the basis of Dewey’s view on consciousness, the nature of the moral act, moral commands, rules and systems, then we come to the following conclusion: “Conscientiousness is primarily the virtue of intelligence in regard to conduct. … It is the formed habit of bringing intelligence to bear upon the analysis of moral relations the habit of considering what ought to be done” (Dewey, 1957, p.199).\(^{(11)}\)

Vague legislation and practices in the context of twenty-first century “security” is not just question of “conscientiousness.” Dewey has written, “formulated by Socrates [that] … an unexamined life is not one that should be led by man” (1957a, p.200).\(^{(11)}\) This is an inquiry into the broader views behind the purpose of security, as well as economic and financial yields. This demonstrates where pragmatism meets human nature and human nature meets “Moral Commands, Rules and Systems,”\(^{(12)}\) ultimately becoming pragmatic.

---

11. Dewey, John (1957). Outlines of a Critical Theory of Ethics. NY: New York. Hillary House. p.199-200. Online: https://archive.org/details/outlinesofacriti029671mbp (14/09/2013) Note: “Conscientiousness is primarily the virtue of intelligence in regard to conduct. That is to say, it is the formed habit of bringing intelligence to bear upon the analysis of moral relations the habit of considering what ought to be done. It is based upon the recognition of the idea first distinctly formulated by Socrates that an unexamined life is not one that should be led by man.”
The chapter “Moral Commands, Rules and Systems”(12) allows for a pragmatic explanation for pragmatic stand in political environment to easily be described as human nature. The same “unexamined life” that we do not apply to the legislations and knowledge gained, we apply to finding pragmatic solutions to problems in a political environment.

“What is the part played by specific commands and by general rules in the examination of conduct by conscience? We should note, in the first place, that commands are not rules, and rules are not commands. A command, to be a command, must be specific and individual. … Under what conditions do commands play a part in moral conduct? In cases where the intelligence of the agent is so undeveloped that he cannot realize for himself the situation and see the act required, and when a part of the agent's environment is constituted by others who have such required knowledge, there is a moral element in command and in obedience.” (Dewey, 1957b, p.203)(12)

If Dewey’s wisdom holds true, we may assert that the “intelligence of the agent is so undeveloped that he cannot realize for himself the situation and see the act required,”(12) so he is allowed in the twenty-first century, after all the knowledge acquired as an individual in a society to engage in security entrepreneurship. In the name of the economic and financial benefits without weighted or considered consequence to roam in sphere of security and discover only “moral element in command and obedience” where “others” with “required knowledge” achieve the end result through “act required.”

12. Dewey, John (1957). Outlines of a Critical Theory of Ethics. NY: New York. Hillary House. p.203-204. Online: https://archive.org/details/outlinesofacrit029671mbp (14/09/2013) Note: “Moral Commands, Rules and Systems” - “What is the part played by specific commands and by general rules in the examination of conduct by conscience? We should note, in the first place, that commands are not rules, and rules are not commands. A command, to be a command, must be specific and individual. It must refer to time, place and circumstance. “Thou shalt do no murder” is not strictly speaking a command, for it allows questioning as to what is murder. Is killing in war murder? Is the hanging of criminals murder? Is taking life in self-defense murder? Regarded simply as a command, this command would be “void for uncertainty”. A true command is a specific injunction of one person to another to do or not to do a stated thing or things. Under what conditions do commands play a part in moral conduct? In cases where the intelligence of the agent is so undeveloped that he cannot realize for himself the situation and see the act required, and when a part of the agent's environment is constituted by others who have such required knowledge, there is a moral element in command and in obedience. The soldier, too, in recognizing a general's command, is recognizing the situation as it exists for him. Were there simply superior force on one side, and fear on the other, the relation would be an immoral one.”
If there is only an economic and financial benefit, we should ask ourselves why others should achieve the end result through an “act required”. What else is there if not only economic and financial benefits? What needs to be done for that? The answer is that a pragmatic stand needs to be taken where we can void morality.

“‘Thou shalt do no murder’ is not strictly speaking a command, for it allows questioning as to what is murder. … Regarded simply as a command, this command would be ‘void for uncertainty’. A true command is a specific injunction of one person to another to do or not to do a stated thing or things.” (Dewey, 1957c, p.203)(12)

To further explain this, we need to address it from three vantage points. In Frontiers of Consciousness Series: Theory of the Moral Life of John Dewey, Dewey states the following:

“Reflective moral situation have long been clear; doubts and disputes arise chiefly as to the relation which they bear to one another. The formula was well stated by Aristotle. The doer of the moral deed must have a certain “state of mind” in doing it. First, he must know what he is doing; secondly, he must choose it, and choose it for itself, and thirdly, the act must be an expression of formed and stable character. In other words; the act must be voluntary.” (Dewey, 1996, p.8)(13)

---

13. Dewey, John (1996). Frontiers of Consciousness Series – Theory of the Moral Life. NY: New York. Irvington Publishers, Inc. p.8. Note: The nature of moral act – Since the change from customary the reflective morality shifts emphasis from conformity to prevailing modes of action over to personal disposition and attitudes, the first business of moral theory is to obtain in and outline the idea of the factors which constitute personal disposition. In its general features, the traits of reflective moral situation have long been clear; doubts and disputes arise chiefly as to relation which they bear to one another. The formula was well stated by Aristotle. The doer of the moral deed must have a certain “state of mind” in doing it. First, he must know what he is doing; secondly, he must choose it, and choose it for itself, and thirdly, the act must be an expression of formed and stable character. In other words; the act must be voluntary; that is, it must manifest a choice, and for full morality at least, the choice must be an expression of the general tenor and set of personality. It must involve awareness of what one is about; a fact which in the concrete signifies that must be a purpose; an aim, an end in view, something for the sake of which the particular act is done.
However, “we do not judge all voluntary activity from the moral standpoint” meaning that “there are many things called good and bad which are not voluntary. Since what we are in search of must lie somewhere between these two limits, we may begin with cases of the latter sort” (Dewey and Tufts, 1909, p.203). (14)

“Non-moral Human Acts. …are also acts evoked by an idea of value in the results to be reached, which are not judged as coming within the moral sphere …. They all involve the idea of some result worth reaching, and the putting forth of energy to reach the result of intelligently selected and adapted means. But this may leave the act morally indifferent innocent.” (Dewey and Tufts, 1909a, p.205) (14)

Consequently, if we can void morality and deliver security by pronouncing “intelligence of the agent undeveloped,” then this can become the purpose. Offering security because it is an economic and financial commodity will become an aim. Observed end strategically becomes constituted by “others” because the agent has an undeveloped level of intelligence. This way, the agent/actor is void of uncertainty in the morality of an act, and the voided morality of “others”, become a personality with legal characteristics. Characteristics are features or qualities that are recognizable, and there are no better recognizable features than the simplicity of laws and regulations for the PMSC in the twenty-first century. Returning to the motto introduced in the introduction, what is not forbidden is allowed.

14. Dewey, John and Tufts, James (1909). Ethics. NY: New York. Henry Holt and Company. p.203, p.205. Online: https://archive.org/details/ethicsdew00dewuoft (2/10/2013) Note: Not Everything Voluntary is Morally Judged. A voluntary act may then be defined as one which manifests character, the test of its presence being the presence of desire and deliberation; these sometimes being present directly and immediately, sometimes indirectly and remotely through their effects upon the agent s standing habits. But we do not judge all voluntary activity from the moral standpoint. Some acts we judge from the standpoint of skill or awkwardness; others as amusing or boring; others as stupid or highly intelligent, and so on. We do not bring to bear the conceptions of right and wrong. And on the other hand, there are many things called good and bad which are not voluntary. Since what we are in search of must lie somewhere between these two limits, we may begin with cases of the latter sort. p.203. Non-moral Human Acts. – There are also acts evoked by an idea of value in the results to be reached, which are not judged as coming within the moral sphere. …. All conscious human life is concerned with ends, and with selecting, arranging, and employing the means, intellectual, emotional, and practical, involved in these ends. This makes conduct. But it does not follow that all conduct has moral import….. They all involve the idea of some result worth reaching, and the putting forth of energy to reach the result of intelligently selected and adapted means. But this may leave the act morally indifferent innocent. p.205.
The center point of William James’s pragmatism is truth. He defines truth as “its account of the relation, … which may obtain between an idea, … and its object. Truth, I there say, is a property of certain of our ideas” (James, 1909, p.V). The first question that comes to mind is related to the idea of a general definition of pragmatic: “dealing with the problems that exist in a specific situation in a reasonable and logical way instead of depending on ideas and theories” (Merriam-Webster, 2013).

An immediate question springs to mind: how can a decision be pragmatically reasonable and logical when pragmatism, by definition, allows the explicit possibility of not depending on ideas and theories? This idea can be found in the second part of the explanation, which holds that “relating to matters of fact or practical affairs often to the exclusion of intellectual or artistic matters: practical as opposed to idealistic. – ‘pragmatic men of power have had no time or inclination to deal with … social morality – K. B. Clark’” (Merriam-Webster, 2013).

In order to find the truth behind the idea (purpose) of the PMSC in the twenty-first century, we need to find a relation between the object and idea. To find this relation, we must respond to a pragmatic definition and pragmatist logic to find the truth. To clarify the meaning of the truth, James corroborated the truth through pragmatism as enquiry: “Grant an idea or belief to be true … What concrete difference will its being true make in any one’s actual life?” (James, 1909a, p.V). To reaffirm this, he defines it:

“The moment pragmatism asks this question, it sees the answer: True ideas are those that we can assimilate, validate, corroborate, and verify. False ideas are those that we cannot. That is the practical difference it makes to us to have true ideas; that therefore is the meaning of truth.” (James, 1909b, p.VI)

The relation between the idea (purpose) of the PMSC in the twenty-first century and company as an object (entity) lies in the verification of the truth. If we allow the idea that economic purpose is not the final goal, we immediately allow the possibility that the object (in this case the company) has the transferal purpose of relation in undefined form. This presents a purpose of social significance. If we deny the idea, then denial presents a purpose for inquiry, making it socially significant, and with that, allowing inquiry into the idea.
In this case, an undefined form becomes the object of interest. Allowing this undefined form to come into clear view, it needs to be reduced on an elemental component. That component in the company is an agent or actor where, without him, there is no company. Without a company, there is no purpose for any inquiry of an idea or final goal. This would allow us to conclude that a relation between the idea (purpose) of the PMSC in the twenty-first century and an object (entity) is an agent/actor. This permits the idea of questioning into an agent/actor, then what kind of agent/actor stands behind it?

To understand the position of agent/actor in the twenty-first century PMSC (or who stands behind him), we need to look at the society from its point of origin. We should concentrate on the political environment of that society. The PMSC and its agents or actors in question originate from the United States. In order to have a perspective for state power at the present time, we need to consider the formulation of strength.

Thomas Johnson (2012) has written that “America’s foremost strengths are its military power, technology and innovation, and information systems” (Johnson, 2012, p.98). We live in an information age that allows technology all of the strength in a country or state. The power of adaptability in the twenty-first century has one more characteristic: virtual domain. This domain in “the age of terrorism, … [will be a] new era in international relations, where traditional tools of power politics will be less important than in the past” (Cronin, 2002, p.134).

Because of these combinations and global events in the twenty-first century, it is understood that a transformational process is occurring. For that reason, change is strategically calculated and the power of the future is seen in the virtual domain. The possibilities of virtual power and how everything could function are still vague. However, it is described as a strategic alternative in cyberspace “to provide an advantage in gaining policy objectives,”(Johnson, 2012a, p.330)\(^{(15)}\) or as a cyber war—a “fifth domain of warfare establish the boundaries”(Johnson, 2012b, p.333).\(^{(15)}\) In time, military power will still need to organize or establish boundaries in the fifth domain, the “nation’s source of soft power … from its culture, political values, and its policies” is going to be challenged (Nye, 2011, p.83).

\(^{15}\) Johnson, A. Thomas (2012). Preston M. Charles – The Information Revolution: The Emergence of Cyber Power. Power, National Security, and Transformational Global Events. FL: Boca Raton. CRC Press: Taylor & Francis Group. Notes: Cyber power, for this chapter, is considered to be a strategic use of cyberspace alternatives to provide an advantage in gaining policy objectives,p.330 Cyber power, like cyber war, is in only the beginning stages of being consciously applied to political, social, military, and economic balance of power issues,p.330 The uses and limits of cyber power will become more clear as operations in this fifth domain of warfare establish the boundaries,p.333 Without a change in funding, attitudes, training and education, research, and engineering, security will become more difficult as system complexity increases, and many groups, not just nation/states, will be able to exercise some amount of cyber power by continuing to take advantage of this,p.334
“Legitimacy is power reality … [where] competitive struggles over legitimacy are part of enhancing or depriving actors of soft power” (Nye, 2011a, p.82). As such, the actor/agent behind the PMSC’s strategic decisions and the transformational process of future power will be in “many groups, not just nation/states, … [where they] will be able to exercise some amount of cyber power by continuing to take advantage of this” (Johnson, 2012c, p.334).(15) If the exercise of strategic decisions and power behind the PMSC is taken in the context of political (terror) environment of the age, then the transferred allowance becomes a condition. According to Cronin, the “best way to meet this threat is to broaden the concepts of appropriate means and include broad appeals to fundamental shared values” (Cronin, 2002a, p.134). (16) Where pragmatic implementation takes a form of “Contractor Personnel Authorized to Accompany US Armed Forces is another step toward integrating contractors into the Total Force” (QDR, 2006, p.81) of appropriate means and fundamental values.

The effect of conducting those values for a person or group in society can be assessed through ethics. However, if pragmatic politics is the standard, then the value of principles and standards in society is ignored. This holds true on the basis of having “no time or inclination to deal with … social morality” (18) and all social acts and processes in society and societal groups are equal to those values.

16. Cronin, K. Audrey (2002). Rethinking Sovereignty: American Strategy in the Age of Terrorism. Survival. Vol.44-2. The International Institute for Strategic Studies. p.134. Note: “International terrorism is not dangerous because it can defeat us in a war, but because can potentially destroy the domestic contract of the state by further undermining its ability to protect its citizens from direct attack. The United States and its allies must win in conventional ways, but the greatest danger is not on battlefield but damage to the integrity and value of the state. And the best way to meet this threat is to broaden the concepts of appropriate means and include broad appeals to fundamental shared values…”
18. Merriam-Webster, (2013). Pragmatic. Merriam-Webster: Encyclopediad Britannica Company. Online: http://www.merriam-webster.com/dictionary/pragmatic (20/10/2013) Note: Relating to matters of fact or practical affairs often to the exclusion of intellectual or artistic matters; practical as opposed to idealistic. – ‘pragmatic men of power have had no time or inclination to deal with … social morality – K. B. Clark’.
So, what kind of agent/actor stands behind the PMSC? The answer becomes more clear in examining an overview of values. The values approved will allow the agent/actor an ethical clearness where doubt of moral uncertainty is removed. The approval of any principles and standards in societal groups or higher levels of country/state administration will have a certain effect. Any actor/agent behind the PMSC who has “required knowledge” can achieve the end result through the “acts required”. This signifies that “many groups, not just nation/states, will be able to exercise … power,” (Johnson, 2012c, p.334) and in the case of a transformational process, those with virtual power over the public will be able to gain “policy objectives”. The necessity for elites will be to obtain the “desired outcomes” through knowledge, skills, and even the ability of the PMSC in the power transformational asymmetry of the contemporary world.

9.5 Summary of Pragmatic Examination

Today’s information-technological age, political environment, and economic problems provide a basis for transformational processes in society where conflation of the three presents an asymmetry of information. Power and security concepts are transforming simultaneously with it. The type of form and condition they will provide can only be based on experience and present indicators. Cronin describes the new age twenty-first century as a “new era in international relations, where traditional tools of power politics will be less important than in the past” (Cronin, 2002, p.134).

If pragmatic politics remains the standard, perceived transformational processes in society will stay on course and become factual. Informational and technological development will transform power politics and allow the public virtual power. But concepts like power and security will be transformed within these transformational processes. Virtual power is going to provide “policy objectives” to the public, as democratic will and instill a “virtual nation/state.” The “desired outcomes” are going to be reserved for “others” and those “with required knowledge.” Transformational processes in society will allow virtual power and asymmetry of information, regarding the “virtual nation/state” and “its ability to garner the power of finance and ideas and transform them into sources of global influence” (Choucri, 2012, p.10).
Asymmetry of information will be nothing but a transaction in unequal degree, where technological, economic and political environment will allow for transferable allowances in society. Asymmetry will become a dimension where “many groups, not just nation/states, exercise power” (Johnson, 2012c, p.334). Along with “de facto power possessed by group as a result of their wealth, weapons, or ability to solve the collective action problem” (Acemoglu and Robinson, 2008, p.268), will become a commodity. In an asymmetric world, this means security, and with that, an “unexamined shift from public to private governance” (Verkuil, 2007, p.2). This is where private firms in “the process are consulted in all kinds of security related matters. Sometimes, this consultancy will concern how to best deal with a given political priority” (Leander, 2005, p.7).
“Political writers have established it as a maxim, that, in contriving any system of government, and fixing the several checks and controls of the constitution, every man ought to be supposed a knave, and to have no other end, in all his actions, than private interest. By this interest we must govern him, and, by means of it, make him, notwithstanding his insatiable avarice and ambition, co-operate to public good. Without this, say they, we shall in vain boast of the advantages of any constitution, and shall find, in the end, that we have no security for our liberties or possessions, except the good-will of our rulers; that is, we shall have no security at all.”

David Hume, 1777: Essays Moral, Political, Literary

10. CONCLUSIONS

There are some details that need to be kept in mind. As Russell Bertrand has written, pragmatism is “power philosophy,”(1) and humans are the cause of pleasant or unpleasant consequences. (1) The aim was to analyze the PMSC and answer how the state of power conflation occurs and what challenges it presents.

We need to consider the process and execution of the thesis. A thesis has deliberately moved into sequential sections to examine and draw conclusions separately and on a basis of those who convey a connected point of view and present challenges. The complexity lies in data of the subject and the nature of the thesis itself. Its nature is political, whereas the subject examined is socially important power and state of conflation. And at the core, everything lies on pragmatism philosophy.

Explaining one and omitting the other would produce asymmetry in information. Where power exists, state of conflation follows. This is a reason for sequential examination; power exists because of the nature of environment. But the nature of environment dictates that decisions made in that environment result from a certain ground: knowledge. Any philosophy is a type of knowledge as a basis for decisions and action taken. The environment in which decisions and actions are taken is political and strategic, and ultimately has social consequences. These social consequences are connected to the political and strategic decisions in which voiding morality for pragmatic political stand is cleared by pragmatism. In this sphere, questioning is possible and morality can be voided on the basis of common sense in the form of practicality.

However, even the denial of ethics, morality and theory can be argued on the basis of pragmatism.

“The nature of the strategic environment can be described as an interactive, chaotic, complex system of systems. … The real truth best serves interests and policy in the long run; the strategist must reject the expedient, near-term solution for the long-term benefit.” (Yarger, 2006, p.7-73a)

If the nature is political and pragmatic political decision can be cleared of morality on the basis of questioning and practicality, then the strategic side is rejecting expediency for a short-term solution. Then long-term benefit must be based on a strategic decision. However, there is a premise in strategy: “political purpose dominates all strategy” (Yarger, 2006b, p.6). This is based on the well-known maxim of Carl von Clausewitz: “War is merely the continuation of policy by other means” (Yarger, 2006b, p.6).

This means that political pragmatic decisions concerning allowing the existence of the PMSC in the twenty-first century are practical, strategic decisions which do not hold any value for the society at large. Similarly, services offered are void of significance in knowledge and long-term consequences, which are influenced by immediate circumstances. Individuals and groups in politics, military and business are allowed in complex systems, and the political environment of the nation/state allows for the presence of the PMSC and PMI. Moreover, the long-term consequences are permitted to transfer from individuals and groups without any control or oversight for society.

In sum, individuals, groups, and corporate entities, such as the PMSC, are protected by policies, practices, and corporate laws which guarantee them asymmetry of system, both legal and informational. This is necessary in order for the assigned or networked powers to allow individuals or groups the possibility of governance in indistinct shape. As long as the
asymmetry of the system is permissable and can be maintained, the power will be conflated in networked asymmetry of any select group with legal provisions by the nation/state legislators, and the allowances of the society. This select group will benefit from their desired outcomes, and society will receive virtual security out of policy objective.

11. RECOMMENDATIONS

After more than two decades, and in collaboration with the research and literature on entrepreneurial military-security contracting, it has often been argued that a central problem of doing research is the lack of reliable data on companies’ dealings and corporate structures. With the exception of a few journalists, there was no attempt to research connections among companies and their management. This thesis takes a step into this issue, but still only scratches the surface. Access to information is the key for significantly larger research options. However, the thesis subject did confirm the significance of study in diverse contexts, and allow perspective on the subject of the PMI or PSI as the nature of a pragmatic political trend.

Knowledge is the basis of a system’s asymmetry on which power can be conflated in complex systems. As long as it can be maintained, it will provide an indistinct shape of governance to select others. This generates questions on the social aspect of the status and purpose of a soldier in society and the state in the future. Why should the twenty-first century contemporary society maintain a professional army if privatized military-security contracting and PMI or PSI is allowed in the nation/state? Why and for whom is a soldier trained in the twenty-first century? A partial answer can be found in the employment strategies of private companies. The process demands former employment, skills and knowledge of military or police training for PMI or PSI consideration. This is why the different contexts and approaches for research should be considered.

As Gaetano Mosca (1939) has written:

“That real safeguard against that type of error lies in knowing how to lift one's judgment above the beliefs and opinions which are current in one's time or peculiar to the social or national type to which one belongs. That to go back to a point on which we have already touched comes with the study of many social facts, with a broad and thorough knowledge of history, not, certainly, of the history of a single period or a single nation but so far as we possibly can the history of mankind as a whole.” (Mosca, 1939, p.47)
This example presents the imperative nature of having a perceived, privatized military-security industry and entrepreneurship. There is no difference when it comes to the origin of the corporate entity – nation/state. Politics, power and elites are omnipresent in any society and nation/state. Thus, significance doesn’t lie on the stable societies in the West, East, North or South, but on the effective availability of security in those societies. For that reason, it is necessary to research the subject from a theoretical and empirical aspect. Otherwise, we are going to allow the conditions to progress without serious control to the levels where any form of research will be insignificant and have no practical effect on unpredicted situations in society. The consequences need to be known and viable options researched before action is taken. Otherwise, more and more often, we will be forced to solve questions of control and security, as seen in Honduras, Ecuador and Peru. When the number of legal and illegal security personnel outnumbers the state security force, security for the citizens can’t be adequately provided.(1)

1. Gómez del Prado, L. José (2008). Private Military and Security Companies and Challenges to the UN Working Group on the Use of Mercenaries. UN Working Group on the Use of Mercenaries.p.3. Online: https://media.law.wisc.edu/m/kxzdv/gomez_del_prado_paper.doc (14/07/2013) Notes: such as Honduras, Ecuador and Peru. In Honduras, according to a UN report the number of people employed by private security companies as private guards and vigilantes would range between 20,000 at a minimum and 70,000 at most. In contrast, the Honduran National Police numbers only 12,000, of whom 7,300 belong to the uniformed Preventive Police. There seems to be no authority with any control over these companies’ actions, which pose a serious threat to the general public and to law and order. These illegal companies reportedly have thousands of banned weapons acquired on the black market, such as AK-47 and M-16 assault rifles and Uzi submachine guns. In the city of Guayaquil, Ecuador, the municipal authorities had subcontracted private security firms as a temporary measure until sufficient numbers of national police officials had been recruited and trained to meet law enforcement requirements9. In Peru there would be some 50,000 private guards and probably some other 50,000 in the informal sector. Many of the informal companies would be providing security to the municipalities. Only a few of the private security companies would be registered10.
In sum, the core problem has the significance for any individual, society or nation/state in the world. Corporate entities such as the PMSC are legally allowed to exist independently of their individual nations/states security or military industry. The challenge of allowing the status of these kinds of companies in society is that it presents the approval of any political pragmatic decision in the future, which can be voided of morality in a short-term solution, without responsibility for long-term consequences.

Merging knowledge as deniability of knowledge to approve practical solution on basis of human habit is or will become a culturally acceptable on basis of historical presence. Any power transformations in society will be explained by reasoning as an example found in the physics, which holds that energy can come from nothing and can’t dissipate into the nothing. Nothing ever ends, just transforms from one form into another.

Society cannot and will not progress in the twenty-first century if one argument is used to disprove another. For the purpose of the greater good, where the greater good is the solution for specific individuals or groups. Or, simply put, twentieth century pragmatic methods and knowledge are used to solve twenty-first century problems, which were accumulated as a product of the twentieth century. Within the same short-term practical solutions and long-term consequences are the problems of the twenty-first century. It is the hope that questions and ideas put forward are the way to pay greater attention to concerns and possible capabilities, which prevail in the PMSC and, with that, in society at large.
“A new type of thinking is essential... if mankind is to survive and move toward higher levels.”

Albert Einstein
This page intentionally left blank
This page intentionally left blank

Ključne besede: moč, zlivanje, nacionalna država, zasebne vojaške in varnostne družbe – (PMSC), pragmatizem.
This page intentionally left blank


Te točke, pogledi in procesi so med seboj povezani v klasični pragmatizem. V račun pragmatične politike, kjer se teorija uporablja v logiki praktičnosti in odtehta moralnost ter postane sredstvo za dosego cilja. Ta praktičnost in odtehtana moralnost je jedro na katerem sloni obstoj PMSC, kar predstavlja osnovo teh podjetij. Vprašanje, kaj je temelj obstoja teh podjetij pa mora bit odgovorjeno.

This page intentionally left blank
Okrajšave in kratice

BRAC – Zakon o s preuređitvah in zaprtju baza
BSC – Blackwater varnostno svetovanje
CEO – Glavni izvršni direktor
CIA – Centralna obveščevalna služba
CMR – Civilno-vojaški odnosi
FBI – Zvezni preiskovalni urad
GSA – Uprava za splošne storitve
KBR – Kellogg, Brown & Root
LOGCAP – Pentagon logistično-civilni program povečanja
MPRI – Vojaško profesionalno oblikovano podjetje
NGO – Nevladna organizacija
NTOA – Nacionalno taktično policijsko združenje
PMC – Zasebno vojaško podjetje
PMI – Zasebna vojaška industrija
PMF – Zasebna vojaška firma
PMSC – Zasebno vojaško in varnostno podjetje
PSC – Zasebno varnostno podjetje
PSI – Zasebna varnostna industrija
PSF – Zasebna varnostna firma
SEAL – More, zrak i zemlja (ameriška mornariška enota)
SVP – Višji potpredsednik
SWAT – Posebna orožja in taktike (ameriške posebne policijske enote)
TIS – Celotne obveščevalne rešitve (podjetje)
TRC – Center za raziskovanje terorizma (podjetje)
This page intentionally left blank
1. UVOD

“... 500 let po tem, ko je postavljena razmejitev med plačanci in stojecimi vojskami, 700 let po nastanku svobodnih podjetj ter 2300 let po tem, ko je Alexander uporabil plačane kretske lokostrelce. Mednarodna skupnost se spet bori z vprašanjem, kako regulirati plačance.”

Todd S. Milliard, 2003:
Overcoming Post-Colonial Myopia


7. Bonney, Richard (2002).The Thirty Years' War 1618-1648. Portrait of Soldier: The Mercenaries.p.68-71. And Thirty Years’ War. Encyclopedia Britannica. Onlinehttp://www.britannica.com/EBchecked/topic/592619/Thirty-Years-War (21/10/2013) Note: During the Thirty Years’ War, many of the contending armies were mercenaries, many of whom could not collect their pay. This threw them on the countryside for their supplies, and thus began the “wolf-strategy” that typified this war. The armies of both sides plundered as they marched, leaving cities, towns, villages, and farms ravaged. When the contending powers finally met in the German province of Westphalia to end the bloodshed, the balance of power in Europe had been radically changed.
Skoraj stoletja je obstajala nenaklonjenost do njih in po mnenju mnogih tudi prepravičanje, da so predrzni, nepravični, nasilni in nezanesljivi kot vojaki. Z Vestfalsko pogodbo so izginili iz ospredja ter so v miru oziroma uporabljani v obliki “trgovskih podjetij” do njihovega zatona v drugi polovici devetnajstega stoletja. Sodobni plačanci se ponovno pojavijo po drugi svetovni vojni in delujejo v Afriki skozi šestdeseta pa vse do osemdesetih let dvajsetega stoletja. Kjer se z desedetimi leti dvajsetega stoletja preoblikujejo v vojaške podjetnike in postavijo v ospredje vojaškega delovanja za enaindvajseto stoletje.

Lahko bi rekli, da plačanci in “trgovska podjetja” nimajo nič skupnega z vojaško varnostnimi podjetniki danes. A kljub temu najmanjši pogled v zgodovinske podatke ne bo le vzpostaviti primerjalnih točk, ampak tudi določil Hobsov pogled na svet.

Zaradi teh osnovnih vojaških zmogljivosti in različnih oblik moči v kombinaciji s poslovno miselnostjo, je takšno podjetniško preoblikovanje opisano v različnih oblikah kot; nejasen in oddaljen novi fenomen. Namesto tega so predstavljena razbrana videnja fenomena širšega pojava ter trend. S koncem hladne vojne v začetku devedesetih let dvajsetega stoletja je svet ponovno seznanjen z zdaj definiranimi “izvajalci” in privatizirano vojno. Razveljavitev starih struktur bipolarnega sveta, razširjeno zmanjševanje števila rednih vojaških sil sta prispevala novemu zagonu in razvoju. Novi politični spori in vojaški spopadi so dali povod za zasebne vojaške in varnostne družbe - PMSC. Točka preobrata brez pretiravanja je bila udeležba v vojnah na Balkanu skozi devetdeseta leta dvajsetega stoletja, kakor začetek preizkusa koncepta in nadaljnje širitve. Sedaj se ta na poslovnem področju imenuje zasebna vojaška industrija - PMI.

13. Holmqvist, Caroline (2005). Private Security Companies. The Case for Regulation. SIPRI Policy Paper No. 9 Stockholm International Peace Research Institute. p.3. Note: In the shadow of the relatively few instances of genuine “contract wars”, a wider industry of private security provision has proliferated. Casting the debate as one about the virtues and vices of “mercenaries” has obscured what is in fact a much broader phenomenon and has precluded real critical engagement with the subject of security privatization.

Ta odstopanja so brez prednosti obseg človeških zmogljivosti, da skozi zgodovino ignorira napredek. Machiavelli prinaša v ospredje dejstvo, da plačanci “... so neuporabni in nevarni, in če kdo definira državo, ki temelji na takšnem orožju, bo stal ne pokončno in ne varno; .... oni nimajo drugega interesa ali razlogov, da bi zasedli področje kot za malenkostno štipendijo ...”(Machiavelli, 1891, str.255). V primeru, da povzamemo del vrednosti odstopanja, se v odstopanju pokaže kot primer civilno-vojaški odnosi - CMR. Odnosi med civilno in vojaško pristojnostjo, ki so se razvili v zadnjih šestih desetletjih, sedaj lahko postanejo organizacijska in kulturna odločitev s teoretičnimi in empiričnimi temelji brez prave moči, nadzora in vpliva. Zaradi tega, ker ne bo ničesar za nadzorovanje.

Kot Ulrich Petersohn (2008) v “Outsourcing the Big Stick: The Consequences of Using Private Military Companies” pravi:

“Zato izguba družbenega nadzora ni odvisna od nepravilnega obnašanja izvajalca, ampak o nalogah izvajalca, ki se je prijavil za opravljanje, ker mednarodno pravo omejuje vlogo civilistov v sovražnostih. Izguba družbenega nadzora se pojavi, ko so civilisti pogodbeniki za opravljanje storitev, ki so kršitev mednarodnih norm. Globlje ko je kršitev jedra norm, večja je izguba.” (Petersohn, 2008, str.3)

16. CPA - Coalition Provisional Authority Order number 17. “The immunity from Legal Process of Coalition personnel, Foreign Liaison Mission personnel, Coalition contractors and their sub-contractors as well as their employees not normally resident in Iraq…” Online: http://www.usace.army.mil/Portals/2/docs/COALITION_PROVISIONAL.pdf (12/04/2013)
17. ICRC (2013). Article 47f. (And the exempt status of operation by security companies in conflict or war zone.) International Committee of the Red Cross. Online:http://www.icrc.org/ihl.nsf/7e4d08d9b287a42141256739003e636b/f6c8b9fee14a77f7d125641e0052b079 (12/04/2013)
Pravni status podjetja dovoljuje, katerikoli PMSC na področju PMI, dajati ponudbe svojih storitev in pridobiti pogodbo o storitvah z državnimi ali zasebnimi subjekti. V vzporedni uporabi zakonov, poslovnih sporazumov o tajnosti in nerazkrivanju. Ta pravni sistem dualizma med državno zakonodajno, poslovnim in vojaškim področjem določa posebne pogoje, ki zlivajo moči znotraj PMSC. Ta posebni pogoj tudi, če ne predstavljajo novo obliko moči se povezuje z idejo in predstavlja novo obliko političnega pristopa za družbo na splošno.

1.1 Moč in zlivanje


Kar je posledica napredka na področju vključevanja družbene moči državljanov ter proizvaja konkurenco v delitvi oblasti s strani različnih elit. Elite o katerih je Wright C. Mills pisal in celo Dwight D. Eisenhower opozoril. To je še posebej pomembno vprašanje, ko ga pogledamo s strani družbe. Muhammed Asadi zato zapiše:

“Zamenljivost na najvišjih položajih med gospodarstvom, državo in vojaških rezultatov v skupnosti interesov znotraj “kompleksa – complex” zaradi organizacijske socializacije z nastajajočo kulturo opiše kot vojaško metafiziko (Mills, 1956) ali z logiko vojaških rešitev do problemov. Ta vojaška metafizika razširjena med prevladujočimi institucijami razvoden kot kultura na ostanek družbe, kar pripelje v militarizacijo družbe.” (Asadi, 2013)
Vse to ustvarja filozofsko nujnost odločitve med “izbiro manjšega izmed dveh slabosti.” Eno je državni nadzor in monopol nad nasiljem/močjo in drugi je javno dovoljena vojaška industrija. Odnosi med vojaško in civilno sfero so zdaj na začetku enaindvajsetega stoletja od značaja, kjer trend varnostnega preoblikovanja narekuje, da je uspešen proces enega vezan na izključitev drugega. Privatizacija s tem ni v skladu z zasnovo Max Weberovega koncepta državnega monopolja nasilja/moči, ki pravi:

“…Danes v nasprotju moramo povedati, da je država oblika človeške skupnosti, ki se (uspešno) sklicuje na monopol legitimnega fizičnega nasilja na določenem ozemlju. Združenje bo bilo imenovano politična suverena združba in to do obsega, da njen obstoj in veljavnost svojih ukazov v določenem geografskem območju, stalno zagotavlja z uporabo in grožnjo fizičnega prisile s strani administrativnega osebja…” (Weber, 1922).

Privatizacija postavi tudi pod vprašaj močno ohranjeno dojemanje realistov in Clausewitzeve interpretacije glede vloge države na področju varnosti in vojne, ki so v domeni držav in njihovih nacionalnih vojska. V sodobni obliki razlago lahko najdemo v nemškem “Grundgesetz” osnovni zakon – člen 87a(18),

“ki obvezuje zvezne države, da ohranijo oborožene sile. To je videti kot izključna in potrebna dolžnost države. Izključna – odgovornost se ne more prenesti” in “potrebna pomeni, da mora država zagotavljati in ohranjati oborožene sile ter se izpolnjevanju teh obveznosti ne more izogniti”(Petersohn, 2008a, str.13).


Skratka lahko pripišemo geslo v smislu; tisto, kar ni prepovedano, je dovoljeno. Družba, ki sprejema sedanje stanje kot “status quo”, nam to mora predstavljati čas za strateški razmislek. Kar nas tudi pelje k starem rimskem vprašanju; “Cui bono” – v čigavo korist?. Ter kako se moč zliva?

21. Avant, Deborah (2004). The Privatization of Security and Change in the Control of Force. International Studies Perspectives. George Washington University. No.5. p.157. Online: http://psm.du.edu/media/documents/related_resources/avant_privatization_of_security_and_change_in_control_of_force.pdf (22/10/2013) Note: “The privatization of security has enhanced the importance of market mechanisms and diffused control over violence. … The privatization of security promises change in the practice of sovereignty. We should expect this change to affect not only states, but also the markets and societies that have built themselves around the state system.”
1.2 Raziskovalni problem


1.3 Raziskovalno vprašanje

Ta magistrska naloga se bo osredotočala na vodstveni del PMSC in razvite povezave med akterji v družbi. Izbira Academi podjetja je utemeljena z dejstvom, da je naslednica Xe Services in Blackwater Company. Ta je bila neprimerljiv predmet pravnih in javnih preiskav. Na podlagi obseg te razpoložljive obsega pojavov omogoča neovirano raziskavo na temo zlitja moči v PMSC. Z odmikom od osrednje teme poslovanja podjetja in preusmeritvijo k cilju raziskave bi to lahko opisali dvojno. Empirično raziskovanje dejanj in postopkov, ki rezonirajo skozi PMSC v zlitoju med različnimi družbenimi akterji. Drugič, da prinese notranje razumevanje narave zlitja moči v PMSC.

Zgornja usmeritvena vprašanja se ukvarja z zlitjem moči, ki se lahko ugotovi v obliki povezav lastniških struktur, združitvah in prevzemih podjetij. Ali kakršna koli druga povezava, povezava političnega in socialnega značaja. Z načrtovanjem večjih vzorcev povezav bo prinesl osredotočen pregled in prepoznavanje javnih in zasebnih akterjev ter strukture ustvarjene s pomočjo PMSC. Ali kot stara Hermagoras’ metoda pravi: “Quis, quid, quando, ubi, cur, quem ad modum, quibus adminiculis – kdo, kaj, kdaj, kje, zakaj, na kakšen
način, s kakšnimi sredstvi” (Dieter & Kurth, 1968, str.95; Robertson Jr, 1946, str.10). Posledično vodi v eno vodilno raziskovalno vprašanje magistrske naloge:

Kako pride do zlitja moči v sodobnih zasebnih vojaških in varnostnih družbah in kakšne izzive, stanje zlitja moči predstavlja?

Na koncu v povezovanje argumentaciji z besedami Punch/a; “Ko vemo zakaj (ali kako) se kaj zgodi, bomo vedeli več kot le kaj se dogaja. Ter lahko uporabimo razlago za napovedovanje”, kot del na prihodnje izzive (Punch, 2006, str.34).
LITERATURE AND SOURCES


Articles


Internet sources


Chapter quotes

Section I


Section II


Section III

Section IV


NOTES

SECTION I: Introduction

1. INTRODUCTION

1. LIPSCHUTZ, LEONARD (2000). *Century-By-Century: A Summary of World History*. NE: Lincoln. Writers Club Press. p.4. Note: ...Shulgi of Ur 2100-2050 bc had record in Sumerian. ... It had manufacture and trade, state and private, foreign residents, mercenary soldiers and few slave.


Note: During the Thirty Years’ War, many of the contending armies were mercenaries, many of whom could not collect their pay. This threw them on the countryside for their supplies, and thus began the “wolf-strategy” that typified this war. The armies of both sides plundered as they marched, leaving cities, towns, villages, and farms ravaged. When the contending powers finally met in the German province of Westphalia to end the bloodshed, the balance of power in Europe had been radically changed.


wars”, a wider industry of private security provision has proliferated. Casting the debate as one about the virtues and vices of “mercenaries” has obscured what is in fact a much broader phenomenon and has precluded real critical engagement with the subject of security privatization.

14. VERKUIL, PAUL (2007). Outsourcing Sovereignty. Cambridge University Press, New York. p.2 Note: The perceived threat is to democratic principles of accountability and process in what has been a largely unexamined shift from public to private governance.


17. ICRC (2013). Article 47f. (And the exempt status of operation by security companies in conflict or war zone.) International Committee of the Red Cross. Online: http://www.icrc.org/ihl.nsf/7c4d08d9b287a42141256739003e636b/f6c8b9fee14a77fde125641e0052b079 (12/04/2013)

1.1 The Power and Conflation


20. VERKUIL, PAUL (2007). Outsourcing Sovereignty. Cambridge University Press, New York. p.2 Note: The perceived threat is to democratic principles of accountability and process in what has been a largely unexamined shift from public to private governance.

21. AVANT, DEBORAH (2004). The Privatization of Security and Change in the Control of Force. International Studies Perspectives. George Washington University. No.5. p.157. Online: http://psm.du.edu/media/documents/related_resources/avant_privatization_of_security_and_change_in_control_of_force.pdf (22/10/2013) Note: “The privatization of security has enhanced the importance of market mechanisms and diffused control over violence. … The privatization of security promises change in the practice of sovereignty. We should expect this change to affect not only states, but also the markets and societies that have built themselves around the state system.”

2. PURPOSE, ASSUMPTIONS, LIMITATIONS AND DELIMITATIONS OF STUDY

2.2 Assumptions

1. JENTLESON, BRUCE (2010). American Foreign Policy: The Dynamics of Choice in the 21st Century. (4th Ed.) NY: New York. W. W. Norton & Company, Inc. p.38. Notes: Legislative Power – Professor Louis Henkin of Columbia University goes so far as to claim that there is no part of foreign policy “that is not subject to legislation by Congress.” That may be an overstatement, as demonstrated by some of the examples of executive power just cited. But it is true that the legislative power gives Congress a great deal of influence over foreign policy.
SECTION II: Case and Network Analysis

6.2 The Academi Company Background


6.3 The Events

5. MILLER, T. CHRISTIAN (2007). Private Contractors Outnumber US Troops in Iraq. Los Angeles Times. July 4, 2007. Online: http://www.commondreams.org/archive/2007/07/04/2284 (28/08/2013) Notes: “Henry Waxman, who chairs the House committee on oversight and government reform, said: “The money that's gone into waste, fraud and abuse under these contracts is just so outrageous, it's egregious”. “It may well turn out to be the largest war profiteering in history”. “In the run-up to the invasion, one of the most senior officials in charge of procurement in the Pentagon objected to a contract potentially worth $7bn that was given to Halliburton, a Texan company which used to be run by Dick Cheney before he became vice-president”. “Unusually only Halliburton got to bid - and won”.


12. DOD (1993). *Secretaries of Defense – Richard B. Cheney*. Historical Office – Office of Secretary of Defense. Department of Defense United States of America. Online: http://history.defense.gov/cheney.shtml (20/04/2013) Notes: “President Bush had already said publicly that the proposed FY 1990 Defense budget of more than $300 billion had to be cut immediately by $6.3 billion, and soon after Cheney began work the president increased the amount to $10 billion. Cheney recognized the necessity of cutting the budget and downsizing the military establishment, but he favored a cautious approach. … In subsequent years under Cheney the budgets proposed and the final outcomes followed patterns similar to the FY 1990 budget experience. Early in 1991 the secretary unveiled a plan to reduce military strength by the mid-1990s to 1.6 million, compared to 2.2 million when he entered office.”

sharp increases in defense spending under the president Ronald Regan, Congress leveled, Pentagon’s budget in 1985 and reversed the trend altogether a year later. By the time the Democrats gained control of the Senate 1986, a consensus had emerged that large cuts in future are inevitable. However, the Regan administration largely ignored the intent of these cuts – reduced defense spending across the board – by leaving long term procurement plan unchanged and simply adding the shortfall to future budget request. December 1987, Department of Defense – DOD was recommending, among other things, a ten thousand person reduction in the army to reduce its 1989 budget request. By November 1989 the army had downsized from 871,000, where it has stabilized during the late 1970s, to 770,000. … In May 1989, General Collin Powell was one of first senior army officers to suggest (at least publicly) that dramatic reduction and restructuring of the army was inevitable. Six month later appointed the Chairman of Joint Chiefs of Staff, Powell become the catalyst for many of the decisions affecting the army’s transitions to the post – Cold War era. … In November 1989 – days after the fall of Berlin Wall – Powell presented his Base Force concept Secretary Dick Cheney and President George Bush. Both reserved judgment on the proposal, but encouraged Powell to continue to refine his thinking (Powell, 1995, p.437-439)

14. SCHMITT, ERIC (1993). Clinton Seeking $14 Billion Cut By the Military. The New York Times. New York. February 04, 1993. Notes: “Before he left office, President Bush had already proposed spending $3 billion less on the military in the next fiscal year… But Mr. Aspin's directive would cut the spending by nearly four times as much and make the Clinton Administration's first step toward honoring a campaign pledge… In general, Mr. Aspin is using the Cheney plan as a basis, while seeking deeper cuts. Mr. Aspin, for example, directed the Pentagon to comply with legislation that forces in Europe be reduced to 100,000 troops by 1996 from about 185,000 now.” Online: http://www.nytimes.com/1993/02/04/us/clinton-seeking-14-billion-cut-by-the-military.html (23/08/2013)


17. IBID. p.91.


6.4 Chronology

21. BENNETT, BRIAN (2007). Victims of an Outsourced War. *Time magazine*. Mar. 15, 2007. Online: http://www.time.com/time/magazine/article/0,9171,1599682,00.html or http://www.evangeland.com/current-events/the-new-army/victims-of-an-outsourced-war.html (29/11/2013) Notes: “The Pentagon didn’t plan for the contractors going so heavily into the war theater, says Lawrence Korb, Department of Defense manpower chief under President Ronald Reagan.” “When they went into Iraq, the assumption was they had won”, he says. “They did know there was going to be continuing fighting. This thing grew far beyond where anybody thought it would”.

100


29. BUERGER, E. MICHAEL AND BUERGER, E. GEOFFREY (2010). *Those Terrible First Few Minutes: Revisiting Active-Shooter Protocols for Schools*. Online: http://www.fbi.gov/stats-services/publications/law-enforcement-bulletin/September-2010/shooting-feature (30/07/2013) Notes: The term active shooter entered the national lexicon in the wake of the fatal shootings at Columbine High School, a tragic capstone to similar devastation in other locales. The dynamics of Columbine redefined police response practices and spawned a constellation of in-school prevention initiatives. The educational community has placed considerable focus on having a plan in place against a dire eventuality. The industry standard protocol is geared to targeted school violence by an aggrieved student, which has been the modal category of school violence in the United States.”
shootings in recent years. However, incidents meeting this definition represent only one of the potential active-shooter threats.


Notes: “...It findings set out at length below, support a number of recommendation for remedial and preventive measures at all levels of Colorado’s governmental structure, and by executive and legislative branches of the state and local government: A Recommendation Relating to Crisis Response Actions. Law Enforcement policy and training should emphasize that the highest priority of law enforcement officers…”


34. IBID. p.102.

36. IBID. p.101-102. Note: Data compiled from Chapter three – Blackwater Begins.


37. IBID. p.102.


46. IBID. p.105.


73. BLACKWATER USA (2013). Blackwater name, logo, and designs are licensed to BW Brand. PG Investments of Virginia, LLC. Online: http://www.blackwaterusa.com/ (15/01/2013)

7. NETWORK ANALYSIS BACKGROUND

7.1 Data Analysis

1. BUTLER M. NICHOLAS (Ed.) (1898). Written by Charles Peirce – *The Logic of Mathematics in Relation to Education*. Educational Review V. XV. New York: Henry Holton and Company. p.213. Online: http://openlibrary.org/books/OL13517145M/Educational_review (20/10/2013) Notes: “mathematician uses what, in geometry, is called a “construction”, or in general a diagram, or visual array of characters or lines”

2. Ibid. p.214. Online: http://openlibrary.org/books/OL13517145M/Educational_review (20/10/2013) Notes: “… that, in mathematics, the reasoning is frightfully intricate, while the elementary conceptions are of the last degree of familiarity; in contrast to philosophy, where the reasoning’s are as simple as they can be, while the elementary conceptions are abstruse and hard to get clearly apprehended. “… so that its principal reasoning’s are not mathematically necessary at all, but are only necessary in the sense that all the world knows beyond all doubt those truths of experience upon which philosophy is founded.”

7.2 Summary


SECTION III: Examination of Pragmatism

9.2 Charles S. Peirce: Pragmatism and Logic

1. WEISS, PAUL (1934). Entry on Peirce in Dictionary of American Biography. Online: http://www.cspeirce.com/menu/library/aboutcsp/weissbio.htm (1/10/2013) Note: …James called Peirce the most original thinker of their generation; … This much is now certain; he is the most original and versatile of America's philosophers and America's greatest logician.


3. BRITANNICA (2013). Logical relation. Encyclopaedia Britannica. Online: http://www.britannica.com/EBchecked/topic/346378/logical-relation (10/10/2013) Note: …logical relation, those relations between the elements of discourse or thought that constitute its rationality, in the sense either of (1) reasonableness or (2) intelligibility. A statement may be perfectly intelligible without being based upon any good evidence or reason, though of course no statement can be reasonable without its being intelligible. …Statements or propositions are logically related in the sense of reasonableness if the truth or falsity of one requires truth or falsity in the other.

4. MERRIAM-WEBSTER (2013). Implication. Merriam-Webster Inc. Online: http://www.merriam-webster.com/dictionary/implication (10/10/2013) Note: (1) …a logical relation between two propositions that fails to hold only if the first is true and the second is false (2) a logical relationship between two propositions in which if the first is true the second is true.


allocation is determined by political institutions, and de facto political power, which is determined by the equilibrium investments and organizations of different groups. De facto power is often essential for the determination of economic policies and the distribution of economic resources, but it is not allocated by institutions; rather, it is possessed by groups as a result of their wealth, weapons, or ability to solve the collective action problem. A change in political institutions that modifies the distribution of de jure power need not lead to a change in equilibrium economic institutions if it is associated with an offsetting change in the distribution of de facto political power (e.g., in the form of bribery, the capture of political parties, or use of paramilitaries)

7. VERKUIL, PAUL (2007). *Outsourcing Sovereignty*. Cambridge University Press, New York. p.2 Note: The perceived threat is to democratic principles of accountability and process in what has been a largely unexamined shift from public to private governance.


9.3 John Dewey: Pragmatism and Ethics

11. DEWEY, JOHN (1957). *Outlines of a Critical Theory of Ethics*. NY: New York. Hillary House. p.199-200. Online: https://archive.org/details/outlinesofacriti029671mbp (14/09/2013) Note: “Conscientiousness is primarily the virtue of intelligence in regard to conduct. That is to say, it is the formed habit of bringing intelligence to bear upon the analysis of moral relations the habit of considering what ought to be done. It is based upon the recognition of the idea first distinctly formulated by Socrates that an unexamined life is not one that should be led by man.”

12. DEWEY, JOHN (1957). *Outlines of a Critical Theory of Ethics*. NY: New York. Hillary House. p.203-204. Online: https://archive.org/details/outlinesofacriti029671mbp (14/09/2013) Note: “Moral Commands, Rules and Systems” - “What is the part played by specific commands and by general rules in the examination of conduct by conscience? We should note, in the first place, that commands are not rules, and rules are not commands. A command, to be a command, must be specific and individual. It must refer to time, place and circumstance. “Thou shalt do no murder” is not strictly speaking a command, for it allows questioning as to what is murder. Is killing in war murder? Is the hanging of criminals murder? Is taking life in self-defense murder? Regarded simply as a command, this command would be “void for uncertainty”. A true command is a specific injunction of one person to another to do or not to do a stated thing or things. Under what conditions do commands play a part in moral conduct? In cases where the intelligence of the agent is so undeveloped that he cannot realize for himself the situation and see the act required, and when a part of the agent's environment is constituted by others who have such required knowledge, there is a moral element in command and in obedience. The soldier, too, in recognizing a general's command, is recognizing the situation as it exists for him. Were there simply superior force on one side, and fear on the other, the relation would be an immoral one.”

13. DEWEY, JOHN (1996). *Frontiers of Consciousness Series – Theory of the Moral Life*. NY: New York. Irvington Publishers, Inc. p.8. Note: The nature of moral act – Since the change from customary the reflective morality shifts emphasis from conformity to prevailing modes of action over to personal disposition and attitudes, the first business of moral theory is to obtain in and outline the idea of the factors which constitute personal disposition. In its general features, the traits of reflective moral situation have long been clear; doubts and disputes arise chiefly as to relation which they bear to one
another. The formula was well stated by Aristotle. The doer of the moral deed must have a certain “state of mind” in doing it. First, he must know what he is doing; secondly, he must choose it, and choose it for itself, and thirdly, the act must be an expression of formed and stable character. In other words; the act must be voluntary; that is, it must manifest a choice, and for full morality at least, the choice must be an expression of the general tenor and set of personality. It must involve awareness of what one is about; a fact which in the concrete signifies that must be a purpose; an aim, an end in view, something for the sake of which the particular act is done.

14. DEWEY, JOHN AND TUFTS, JAMES (1909). *Ethics*. NY: New York. Henry Holt and Company. p.203, p.205. Online: https://archive.org/details/ethicsdew00deweuoft (2/10/2013) Note: Not Everything Voluntary is Morally Judged. A voluntary act may then be defined as one which manifests character, the test of its presence being the presence of desire and deliberation; these sometimes being present directly and immediately, sometimes indirectly and remotely through their effects upon the agent s standing habits. But we do not judge all voluntary activity from the moral standpoint. Some acts we judge from the standpoint of skill or awkwardness; others as amusing or boring; others as stupid or highly intelligent, and so on. We do not bring to bear the conceptions of right and wrong. And on the other hand, there are many things called good and bad which are not voluntary. Since what we are in search of must lie somewhere between these two limits, we may begin with cases of the latter sort. p.203.

Non-moral Human Acts. – There are also acts evoked by an idea of value in the results to be reached, which are not judged as coming within the moral sphere. …. All conscious human life is concerned with ends, and with selecting, arranging, and employing the means, intellectual, emotional, and practical, involved in these ends. This makes conduct. But it does not follow that all conduct has moral import….. They all involve the idea of some result worth reaching, and the putting forth of energy to reach the result of intelligently selected and adapted means. But this may leave the act morally indifferent innocent. p.205.
9.4 William James: Pragmatism and Truth

15. JOHNSON, A. THOMAS (2012). Preston M. Charles – The Information Revolution: The Emergence of Cyber Power. Power, National Security, and Transformational Global Events. FL: Boca Raton. CRC Press: Taylor & Francis Group. Notes: Cyber power, for this chapter, is considered to be a strategic use of cyberspace alternatives to provide an advantage in gaining policy objectives. p.330. Cyber power, like cyber war, is in only the beginning stages of being consciously applied to political, social, military, and economic balance of power issues. p.330. The uses and limits of cyber power will become more clear as operations in this fifth domain of warfare establish the boundaries. p.333. Without a change in funding, attitudes, training and education, research, and engineering, security will become more difficult as system complexity increases, and many groups, not just nation/states, will be able to exercise some amount of cyber power by continuing to take advantage of this. p.334

16. CRONIN, K. AUDREY (2002). Rethinking Sovereignty: American Strategy in the Age of Terrorism. Survival. Vol.44-2. The International Institute for Strategic Studies. p.134. Note: “International terrorism is not dangerous because it can defeat us in a war, but because can potentially destroy the domestic contract of the state by further undermining its ability to protect its citizens from direct attack. The United States and its allies must win in conventional ways, but the greatest danger is not on battlefield but damage to the integrity and value of the state. And the best way to meet this threat is to broaden the concepts of appropriate means and include broad appeals to fundamental shared values…”

included in operational plans and orders. By factoring contractors into their planning, Combatant Commanders can better determine their mission needs.


SECTION IV: Conclusions & Recommendations

10. CONCLUSIONS


11. RECOMMENDATIONS

1. GOMEZ DEL PRADO, L. JOSE (2008). Private Military and Security Companies and Challenges to the UN Working Group on the Use of Mercenaries. UN Working Group on the Use of Mercenaries. p.3. Retrieved from: https://media.law.wisc.edu/m/kxzdv/gomez_del_prado_paper.doc (14/07/2013) Notes: such as Honduras, Ecuador and Peru. In Honduras, according to a UN report the number of people employed by private security companies as private guards and vigilantes would range between 20,000 at a minimum and 70,000 at most. In contrast, the Honduran National Police numbers only 12,000, of whom 7,300 belong to the uniformed Preventive Police. There seems to be no authority with any control over these companies’ actions, which pose a serious threat to the general public and to law and order. These illegal companies reportedly have thousands of banned weapons
acquired on the black market, such as AK-47 and M-16 assault rifles and Uzi submachine guns. In the city of Guayaquil, Ecuador, the municipal authorities had subcontracted private security firms as a temporary measure until sufficient numbers of national police officials had been recruited and trained to meet law enforcement requirements\(^9\). In Peru there would be some 50,000 private guards and probably some other 50,000 in the informal sector. Many of the informal companies would be providing security to the municipalities. Only a few of the private security companies would be registered\(^{10}\).
This page intentionally left blank
APPENDICES

APPENDIX A - Military Industrial Complex


The Aerospace Defense Industry corporations share a common interest (in the military) with the civilian monopoly sector transnational corporations. The former if not part of the latter are interested in military contracts based on the military budget, the latter with the instrumental use of the military to get concessions and protection of their transnational facilities as well as government R&D support. The financial sector benefits from government deficit spending. These three sectors share directors on their respective boards in the form of interlocking directorates leading to a fusion of interests. The Finance Capital sector shares a common interest with the Aerospace Defense Industries in keeping military procurement (deficit) spending high. Finance Capital also promotes the relocation of monopoly sector multinationals abroad through IMF and World Bank structural adjustment loans to buffer them from the consequences of reduced state investment and high interest rates at home.

The Civilian National Security Managers appointed by the President are usually representatives of the Aerospace Defense Industries or the Monopoly sector. They provide the network links between the military and the Aerospace Defense and Monopoly Sector industries and seek to maintain or enhance military budgets in general. The military also has direct links with the Aerospace Defense Industries through its retired generals working at top position in that industry. The Congress, relegated to the middle levels of power (according to Mills, 1956) is coaxed into budget/war approval by the executive who is influenced by his small cadre of appointees usually from the world of business and the military. The state manages surplus absorption through Military Keynesianism represented by war-related expenditure; it subsidizes R&D and facilitates the relocation of multinationals of the Monopoly sector abroad through its diplomacy and the functional use of the military.

Interchangeability of top positions between the economy, the state and the military results in a community of interests within the "complex" due to organizational socialization with this emerging culture described as the Military Metaphysic (Mills 1956) or the logic of military solutions to problems. This military metaphysic as it is prevalent among the dominant institutions diffuses its culture to the rest of society resulting in militarization of civil society.

A-1
This page intentionally left blank
APPENDIX B – Biographical data and Ucinet-6 spreadsheets

Included reference of biographical data in appendix-b is addition for the comparison with the literature and sources in producing spreadsheets with the Ucinet-6 software, and appended in computer screen image capture from B19-B28. Related to graph results in section 2, subchapter 7.1 Data Analysis on pages 41-48.

Biographical Reference List


KRONGARD, A. (n.d.). Executive Profile: Alvin B. Krongard J.D. Bloomberg Businessweek. Online: http://investing.businessweek.com/research/stocks/people/person.asp?personId=11734234&ticker=UA&previousCapId=126475&previousTitle=SAP%20AG (20/01/2014)


CORDOVA, F. (n.d.). Dr. France A. Córdova elected to SAIC board of directors. Saic-Purdue. Online: https://news.uns.purdue.edu/x/2008a/080207CordovaSAIC.html (20/01/2014)


CORDOVA, F. (n.d.). Dr. France A. Cordova, Ph.D: Director at Saic. FindTheBest.com, Inc. 
Online: http://executives.findthecompany.com/l/99839/Dr-France-A-Cordova-Ph-D 
(20/01/2014)

CORDOVA, F. (n.d.). France A. Córdova, Ph.D: Board of Directors, CASIS. Casis. Online: 
http://www.iss-casis.org/About/BoardofDirectors/FranceACordovaPhD.aspx 
(20/01/2014)

Online: http://www.macroaxis.com/invest/manager/SAIC--France_Cordova 
(20/01/2014)

FIELDING, F. (n.d.). Fred F. Fielding. Morgan, Lewis & Bockius LLP. Online: 
http://www.morganlewis.com/bios/ffielding (20/01/2014)

Online: http://people.equilar.com/bio/fred-fielding-morgan-lewis/salary/661386 
(20/01/2014)

http://investing.businessweek.com/research/stocks/private/person.asp?personId=1115361&privcapId=352619&previousCapId=106720&previousTitle=Cadwalader,%20Wickersham%20&%20Taft%20LLP (20/01/2014)

http://investing.businessweek.com/research/stocks/private/person.asp?personId=54802215&privcapId=108432&previousCapId=108432&previousTitle=Morgan,%20Lewis%20&%20Bockius%20LLP (20/01/2014)


GRANT, H. (n.d.). Hugh Grant: Chairman and Chief Executive Officer. Monsanto Company. 
Online: http://www.monsanto.com/whoweare/pages/hugh-grant-bio.aspx (20/01/2014)

http://investing.businessweek.com/research/stocks/people/person.asp?personId=550651&ticker=MON (20/01/2014)


PETTIBONE, J. (n.d.). Jill Pettibone, Chief Administration Officer. Academi – Archive. Online: http://archive.is/1S1qt (20/01/2014)


DEVOST, M. (n.d.). Matthew G. Devost’s Site. Devost.net. Online: http://blog.devost.net/about/ (20/01/2014)

DEVOST, M. (n.d.). Matthew G. Devost. Adjunct Professor: Department of Computer Science. George Town University. Online: http://explore.georgetown.edu/people/ mgd7/ (20/01/2014)


ROBINSON, R. (n.d.). Executive Profile: Russ Robinson. Online: http://investing.businessweek.com/research/stocks/private/person.asp?personId=132417288&privcapId=24390448&previousCapId=24390448&previousTitle=Xe (20/01/2014)


<table>
<thead>
<tr>
<th>Name</th>
<th>Academy</th>
<th>Benchmark Executive</th>
<th>1</th>
<th>9</th>
<th>1</th>
<th>1</th>
<th>0</th>
<th>0</th>
<th>0</th>
<th>0</th>
<th>0</th>
<th>0</th>
<th>0</th>
<th>0</th>
<th>0</th>
<th>0</th>
<th>0</th>
</tr>
</thead>
<tbody>
<tr>
<td>John B. Brumfield</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>John D. Clark</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Errol Cobbs, Inc. (CEO)</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Errol H. T. Kik, Jr.</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Errol T. Johnson (CEO)</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Errol H. T. Kik, Jr. (CEO)</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Errol D. McInnis (CEO, Co-Founder)</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Bill Nunn</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Bill H. Kogos</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Chris Taylor</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Dale C. McInnis</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Dan D. Chinowsky</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Dan D. Chinowsky</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Dan D. Chinowsky</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Doug Low</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Eric J. Finley</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Frank A. C. Carlson (President)</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Frank H. Conklin</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Gary S. Jackson</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Hugh Greely, D.C. (CEO)</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Jack K. Carr</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>James E. Goette</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>James R. Smith, Jr.</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Jason D. Coyle</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>John R. F. Amen</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>John R. F. Amen</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>John F. McInnis</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>John F. McInnis</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>John S. Rinckley</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>John S. Rinckley</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>John S. Rinckley</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Joseph E. Schwartz</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Joseph E. Schwartz</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Joseph E. Schwartz</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Kenneth T. Danberg (CEO)</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Matthew G. Devol</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Michael B. Conklin</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Richard R Collier</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Robert R. Rando</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Robert G. Rando</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
This page intentionally left blank
This page intentionally left blank
This page intentionally left blank
<table>
<thead>
<tr>
<th>Name</th>
<th>Nationality</th>
<th>Position</th>
<th>University</th>
<th>Emirian Company</th>
<th>Emirian Dan</th>
<th>Emirian Global</th>
<th>International</th>
<th>South Dakota</th>
<th>Total Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Stanley</td>
<td></td>
<td>President</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alice Clark</td>
<td></td>
<td>Director</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alvin Bernard</td>
<td></td>
<td>Chairman</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bill McCardell</td>
<td></td>
<td>Manager</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jane Doe</td>
<td></td>
<td>Analyst</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tom Smith</td>
<td></td>
<td>Engineer</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jane Doe</td>
<td></td>
<td>Executive</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Note: The table above contains placeholder data and cannot be accurately interpreted.*