The impact of private security companies on Somalia’s governance networks

Christopher Paul Kinsey, Stig Jarle Hansen and George Franklin
King’s College, London; Norwegian Institute for Urban and Regional Research; and King’s College, London

Abstract The article discusses the use of private security contractors to support coastguard forces in the Somali substate entities of Puntland and Somaliland. Neither of these entities is sufficiently robust to raise and maintain an effective maritime security force without external assistance, hence they have had recourse to the private sector for training, logistical and operational support and high-level consultancy with respect to their coastguards. The article makes some general observations about the international private security industry and Somali politics in order to provide a context for the three case studies. The case studies, each of which covers the engagement of one security contractor in support of a coastguard, assess the roles played by the contractors, making particular reference to sustainability and influence on governance networks. The analysis establishes a matrix of security company typologies and potential roles and then uses this matrix to suggest which types of company might be best employed for which functions. The article has current pertinence, as two of the three case studies concern efforts by substate entities to hire private security to enhance anti-piracy capability.

Introduction

Mercenaries have played an important, if somewhat controversial, role in warfare throughout the ages (Percy 2007); private security companies (PSCs) are a more recent phenomenon tracing their roots to mercenary operations that took place in Africa and Yemen during the 1960s and 1970s (Jones 2004; Mockler 1985). It was not until the end of the Cold War and changes to the global security and business environment that private security companies started to make serious inroads into the international security market (Singer 2003; Uttley 2005; Kinsey 2006; Avant 2005). Increases in global conflict—driven in part by the rise of non-state actors and the decline of local state authority—left a vacuum in the security market that was soon filled by former soldiers who were no longer needed after the Cold War and the collapse of the apartheid regime in South Africa. Moreover, the reluctance of the remaining superpower to become involved in civil wars, especially after the Somalia debacle, left former superpower clients turning to private provision instead. By the mid 1990s, a new wave of PSCs was starting to appear on the international stage. These PSCs bore little resemblance to the traditional mercenary outfits that had operated on the African continent three decades previously. Today, many PSCs are seen as respectable, at least in the eyes of those who employ them,
and offer an array of security-related services, mainly to government agencies and the corporate world.\(^1\) Certain PSCs are listed on stock markets and some even become so commoditized as to be subject to corporate acquisitions.\(^2\)

It is inherently problematic to talk about the privatization of security in a state like Somalia because this country has at best a very limited functioning state structure. Between 1991 and the start of 2007 the country lacked any type of central administration and the state was, for much of this period, simply unable to provide for the security of its population. Non-state actors such as clans, tribal militias, vigilante groups (known as Madanis in Somalia), Sharia Courts and PSCs took on the responsibility of state security. This article, however, focuses specifically on the role of PSCs in Somalia’s governance networks. After describing a typology that will be used to inform the analysis, it discusses the nature of governance in Somalia. While Somalia may not be a functioning state, this does not mean that the country has descended into ungovernable chaos. Instead, local rulers have put in place arrangements to provide basic public services and rudimentary security. These arrangements frequently involve balancing the interests of different clans and subclan groups. It is into this environment that PSCs have ventured, providing security not for commercial companies or the state but for substate actors responsible for maintaining the governance network. The third section describes the case studies and integrates them into the article’s main hypothesis; namely that for PSCs to operate successfully in environments such as Somalia they have to be able to manage or altogether avoid clan and subclan politics. The final section discusses the impact of private security in Somalia’s governance network and suggests that some of the conclusions might have wider applicability.

Defining the private security industry

As far as the study of the private security industry is concerned, the subject of definition remains problematic. The terms ‘corporate mercenaries’,\(^3\) ‘private military contractors’ (PMCs), PSCs,\(^4\) ‘private military firms’ (PMFs) (Singer 2003, 8), ‘private military and security companies’ (PMSCs)\(^5\) and now ‘private security providers’ (PSPs)\(^6\) are all widely used to describe different sectors of the industry. Therefore, there is a general need to make a distinction between the different areas of operations to ensure conceptual clarity. It makes very little sense to use the same term to describe a former soldier selling his combat skills to the highest bidder with

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\(^1\) Even Jack Straw agrees with this point. He said so in the Green Paper: ‘Private Military Companies: Options for Regulation’ (Foreign and Commonwealth Office 2002), 4–5.

\(^2\) ArmorGroup International, a publicly listed company that provides a wide range of security, mine clearance and other services, was recently bought out by Group 4 Security.

\(^3\) Campagners who oppose the industry, such as ‘War on Want’, use this term. See <www.waronwant.org/Corporate+Mercenaries+13275.twl>, accessed 19 February 2008.

\(^4\) The terms ‘PMC’ and ‘PSC’ are used by the International Committee of the Red Cross. The reason for using these terms may be to retain their neutrality regarding the ongoing debates surrounding the use of armed contractors in conflict zones. See <www.icrc.org/Web/eng/siteeng0.nsf/html/pmc-fac-230506>, accessed 19 February 2008.

\(^5\) This term is in general use to describe the industry for the time being.

\(^6\) This term is new and may be an attempt by some in the industry to distance their companies from the term ‘PSC’ as a result of the Blackwater incident that occurred on 17 September 2007.
the intention of engaging in war-fighting and a former combat engineer working for a PSC on a United Nations (UN) contract doing humanitarian demining.

This article employs the term ‘PSC’, which is widely used and therefore familiar to the majority of academics and practitioners working in this field. The use of the label, which can have a specific meaning that may not apply in this case, needs to be justified. It is erroneous to associate Control Risks (CR), which provides armed contractors to protect UK government officials working in Iraq, or ArmorGroup, which provides demining and protective security services in a wide range of locations, with the now defunct Executive Outcomes (EO), which did engage in combat operations to support the Forcas Armadas Angolanas on behalf of its client, the Angolan government. There are many conflicting taxonomies available but most would agree that CR and ArmorGroup are PSCs, while EO is generally described as a PMC. There is a fine line between PSCs and PMCs which is easily crossed. Indeed, if one lesson has come out of Iraq, it is that the boundary separating these two types of organizations, already ill defined, is becoming blurred. David Shearer (1998, 9) argues that ‘military companies provide active military assistance, in some cases involving combat, which has a strategic impact on the political and security environments of the countries in which they operate’. He goes on to give a number of examples where PMCs have managed to achieve a degree of strategic success: EO in Angola and Sierra Leone, and Military Professional Resources Incorporated (MPRI) in Croatia and Bosnia. It is the ability to have such an impact on the political and security environment that sets PMCs apart from PSCs (Shearer 1998, 39–64).

Moreover, PSCs in the UK appear not to aspire to the PMC role and have generally avoided the market for direct combat support, concentrating instead on offering security to the mining and energy sector. As Donald (2006, 36) points out, ‘British PSCs will not in the short to medium term undertake combat tasks because it would wreck their businesses.’ This is not to suggest that the climate for the purchase of security services will not change. In fact, it is changing as a result of Iraq. Not only is the industry offering security services that involve a greater reliance on firepower than was previously the case (an example being the armed protection of convoys in Iraq), government appetites are also starting to change with the realization that they are relying more and more on the services of PSCs. The point is that PSCs still only engage in security functions, not direct combat support. The use of lethal force, other than for strictly defensive purposes, may be said to remain the preserve of PMCs and could even trigger the redefinition of a PSC as a PMC.  

Security functions clearly involve more than simply protecting convoys and high-values targets in Iraq. Shearer in his typology divides the industry into five categories each supplying a different military/security service. These categories can be listed as:

I. Direct support to military operations (the type EO conducted in Angola and Sierra Leone).
II. Military advice and training (the type of military training offered by MPRI).

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7 The company closed its doors to business on 1 January 1999.
8 This is a contentious issue, not least because of the difficulty of positioning the lines between defensive, offensive and pre-emptively defensive operations.
III. Logistical support.
IV. Security services, including political analysis.
V. Crime prevention. (Shearer 1998, 25–26)

Singer, however, only uses three categories and emphasizes the military dimension of the services (Singer 2003, 93). He uses the term ‘military provider firms’ to describe companies that deliver military services at the forefront of the battle space and want to take over EO’s mantle; ‘military consulting firms’ to describe companies that provide military training of the type offered by MPRI; and ‘military support firms’ to describe companies that provide supplementary military services ranging from logistics to intelligence, typified by Kellogg Brown & Root.

The companies described in the case studies can be seen to span all three of Singer’s categories and all five of Shearer’s, from direct involvement in anti-piracy operations through training, consultancy and logistics to the policing of fishing licence regimes. To rely on a typology that is based on the company as the defined item and then to say that that company answers this definition here, that definition there and a third definition elsewhere hardly uses the typology as an effective analytical tool. The approach taken in this article, therefore, has been to use the blanket term ‘PSC’ to describe all the companies, whatever they are doing, and then to use Shearer’s five categories of activity as an analytical framework to assess the effects of privatized security on governance networks. It is conceded that Shearer’s taxonomy is problematic, for instance in that a maritime security operation directed against pirates could easily fall into category I (direct support to military operations) or V (crime prevention) or both. It is outside the scope of this article, however, to review all existing taxonomies or suggest yet another one, and for the purposes of the following analysis the authors have taken the decision that Shearer’s taxonomy is adequate.

Explaining governance in Somalia

When analysing collapsed states such as Somalia, Dawisha and Zartman define a state as ‘the authoritative political institution that is sovereign over a recognised territory’ (Dawisha and Zartman 1988, 7). The definition points to three functions that a state is required to perform: it should be able to act as a sovereign authority; be an institution with decision-making powers; and be the guarantor of security over a populated territory (Zartman 1995, 5). Clearly then—following the Dawisha and Zartman definition—Somalia is not a functioning state, but one that has collapsed. It cannot perform the functions above that are required of it to pass as a state. However, Menkhaus rightly points out that ‘far from sinking into complete anarchy, Somalia has seen the rise of sub-state polities, some of which have assumed a fragile but nevertheless impressive capacity to provide core functions of government’ (Menkhaus 2004, 11). Somalia also has a central government, the current Transitional Federal Government (TFG), which has

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9 It is acknowledged that in strict legal terms banditry carried out at sea but within a state’s territorial waters is not considered to constitute piracy. For the purposes of this article, however, we will use the more common and looser definition that includes acts carried out within a state’s territorial waters.
established several state institutions. However, the TFG’s de facto control over Somali territories has greatly varied and been dependent on Ethiopian aid.  

Somalia still contains several substate polities with substantial self-rule, some beyond the control of the government, some allied to it but not fully under its control. The best example of a substate polity with functioning institutions very similar to those of the state is Somaliland, an entity located in the northwest of Somalia. Somaliland declared its independence from Somalia in 1991, but is still not recognized by any state. From 1999 onwards, Somaliland embarked on a state-building project. It now has a relatively democratic structure and a rudimentary police and coastguard, as well as a functioning legal system (Jarle Hansen and Linderman 2003). In this respect, it has established a moderate but functional state structure, which it is able to maintain through generating income from its modest tax base. Puntland established itself as a self-governing region in the northeastern part of Somalia in 1998. It also established a functioning statelike bureaucracy, but never declared independence from Somalia and has a weaker governance structure than Somaliland. Despite this weakness, Puntland was able to achieve some degree of stability in the areas it controls. It accepts the authority of the TFG, but retains control over its public institutions.

Privatized maritime security in Somalia: the rationale and its effects on governance

Piracy, illegal fishing and the dumping of toxic waste, all of which have direct economic consequences, have grown in scale as the authority of the Somali state and the substate entities has diminished. In parallel, the illegal traffic in arms and people between Africa and the Middle East has been increasingly routed through the permissive environment created by weak states in the Horn of Africa. This illegal traffic has a further deleterious effect on the states that it transits because, having selected a weakly governed area in which to operate, it then relies on violence, corruption or a mix of the two for its own protection, thus promoting a vicious circle of disappearing state authority and legitimacy.

Inasmuch as that a few armed individuals, with or without a vehicle, may form a militarily useful unit in an environment such as Somalia, relatively stable administrative authorities such as Puntland and Somaliland can establish land-based law enforcement organizations with comparative ease. Even the most basic maritime law enforcement organization, however, requires skills in boat handling and navigation as well as a logistic support organization and a fixed, defendable base. For this reason, weak or not fully established coastal states/administrative areas may be ready to use privatized maritime security, buying a package including expertise and support, before they have recourse to privatized security ashore.

In weak and failing states incapable of supporting anything that resembles conventional government, local political elites may conclude that minimalist

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10 During the period 2004–2006 and at the time of writing, the TFG controlled little territory. During 2007, it controlled large parts of central Somalia.

11 Even though Somaliland is represented in countries around the world, it has not yet been officially recognized as a state in its own right by the member states of the UN collectively or individually. See <www.un.org/members/list.shtml#s>, accessed 21 February 2008.
commercial networks able to operate in the absence of a developed judiciary or state system are superior to liberal democracy. PSCs, which can be used by political elites as a means of coercion that requires financial resources but not public consensus, may be useful to facilitate the operation of such networks. Reno (1998, 141) holds that this is particularly the case in politically tumultuous states. This can also apply to failed states, such as Somalia, where commercial networks facilitated by PSCs can offer opportunities to the local authority that would otherwise not exist. Somalia’s recent history, and specifically the excesses of Mohammed Siad Barre’s regime (1969–1991), has left the population suspicious of state institutions—a situation in which the political detachment of an overseas-based private provider may be seen as being beneficial.

Although, as the above circumstances suggest, Somalia may provide a lucrative market for private security providers, the country also offers an example of the most challenging circumstances in which PSCs can operate. Aside from the manifest problems presented by the security situation, the absence of a fully functioning judicial system adds to the risks of any commercial venture and the absence of a functioning state makes the legal position of PSC employees, some of whom may carry and even use firearms, unclear. Further, Somalia and the substate entities were, at the time of the Puntland case studies, under a UN arms embargo12 so any company supplying arms and equipment to local militia would have been liable to sanction (Jarle Hansen 2006). The fact that the Punland administration felt obliged to contract PSCs in breach of an international arms embargo in itself illustrates the difficulties encountered in reconciling the rule of law, good governance and effective government in the Somali theatre. PSCs hired in this context have influenced state stability, human security and governance in profound ways.

Many companies have pitched for security work in Somalia and a number of contracts have been awarded. The case studies used in this article have been selected because they offer examples of different ways in which PSCs can be used to approach essentially the same problem. In all three cases, the desired outcome has been to limit illegal maritime activity in either Puntland’s or Somaliland’s territorial waters. The case studies show how decisions about sources of contract funding, selection of security provider, attitudes to tribal tensions, levels of involvement in operations, relationships with local power structures and other factors can influence the extent to which desired outcomes are achieved.

Case study narratives

Hart Security13

Recognizing the problems posed by piracy, illegal fishing and the illegal traffics described above, Puntland hired Hart Security in 2000 to undertake anti-piracy operations, to curtail illegal fishing activity and to build up the capacity of the local

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12 UNSCR 733, 23 January 1992; text available at <http://www1.umn.edu/humanrts/peace/docs/scres733.html>, accessed 3 November 2008. The arms embargo is still in effect for entities or organizations that are not part of the TFG.

13 The information in this section, unless otherwise cited, comes from author interviews with employees and ex-employees of Hart Security, including Lord Richard Westbury, the company’s owner. The company has seen the article and cleared it for publication.
coastguard. Hart was set up in 1998 by Lord Richard Westbury, who had previously been chief executive officer of Defence Services Ltd, an established private security company that was later subsumed into ArmorGroup International. Thus, while the company itself was young when it arrived in Puntland, its leadership was both experienced and well known.

Hart established its main facilities in Bosasso, a city that did not have the same clan balance as the then governing authority of Puntland, and the company is reported to have taken great care to maintain an appropriate clan balance among its employees. The company appears to have enjoyed success in its operations against the pirates and to have built the nucleus of a relatively efficient coastguard, which countered illegal traffic in arms and people. These elements of Hart’s operations involved interaction with, and possibly operations directed against, members of the local community and were therefore influenced by clan rivalries and tensions. Specifically, it was the tribal nature of the pirate groups that caused Hart their greatest problems. A robust operation directed against the tribally homogeneous pirates could easily have been perceived as being an attack on that clan group. This, clearly, could have had serious consequences for Hart and the administration that engaged them and was working hard to maintain a delicate equilibrium. Furthermore, Hart suspected that certain members of the administration had links with the pirates and were compromising the security of Hart’s operations.

Hart appears to have worked carefully to avoid exacerbating tribal tensions and these efforts enabled them to achieve some success against the pirates. Hart’s most notable success, however, came in their efforts to curtail the activities of foreign fishermen—an activity that was clearly immune to tribal sensitivities. Parallel to their classic coastguard type activities, which fall into Shearer’s categories I, II, IV and V, Hart were able to lend legal support to the Puntland administration in that they were instrumental in obtaining an important concession from the owners of a Spanish fishing vessel, the *Alabacora Quatro*. The vessel’s owners had claimed that sovereign authority was vested only in the government of Somalia and thus that the Puntland coastguard had no authority to interfere in fishing activities. Following Hart’s intervention, and that of their legal advisors, the vessel’s owners agreed to respect the right of Puntland’s coastguard to act as a sovereign agency. This concession validated Puntland’s coastguard as well as the wider Puntland administration. It demonstrates how an activity that probably falls within Shearer’s category III can have strategic effect.\(^{15}\)

Hart’s activities in Puntland were suspended following the eruption of a brief civil war during which the Hart-trained coastguard split along tribal lines. There was fighting close to Hart’s operating bases and the company withdrew from

\(^{14}\)The classification of coastguard activities as military support may raise some eyebrows but it has been included here in view of the robust nature of operations required to counter established pirates.

\(^{15}\)Hart indicated to the authors of this paper that the company’s resources were instrumental in obtaining a court decision in Puntland’s favour in London. It is not clear that such a court case did in fact take place and it is more likely that the dispute was settled by arbitration, which would have lent some validity to Puntland’s claims of sovereign status but would not have carried the authority of a court decision.
Puntland. The administration that emerged from the civil war was led by President Abdullahi Yusuf of the Omar Mahamoud, who, as president, had originally hired Hart. Yusuf had been supported in the civil war by the Tarr family. The Tarrs, who owned fishing boats that could readily lend themselves to conversion to coastguard vessels, were agitating to be awarded what they saw as Hart’s lapsed contract. The President duly engaged the Tarr family’s company (see below). Hart, looking to return to the newly permissive environment, mounted a successful Puntland Supreme Court challenge to the summary termination of their contract but the President was able to have the Supreme Court’s decision reversed. Hart, which had worked hard and with sensitivity to function within the constraints of Puntland’s delicate tribal balance thus ultimately fell victim to a shift in the President’s prerogatives that lay far beyond their control.

Somcan

Somcan, the company that replaced Hart, was locally based though registered in the United Arab Emirates. The company was controlled by the Tarr family, who, as discussed above, had close links with the Omar Mahamoud President. Somcan was financed directly through the sale of fishing rights and is reported to have gone as far as to grant fishing rights to a Korean firm in exchange for uniforms for the Puntland forces (Peleman et al 2003, 17). As with Hart, Somcan found operations in category V conducted against foreign vessels to be relatively straightforward and thus enjoyed some success in this field—most notably in their successful prevention of a Philippine-flagged ship (the *Carmo Express*) from dumping infected livestock in Puntland’s territorial waters.\(^{16}\)

Somcan’s less nuanced approach to domestic politics, however, appears to have presented them with some operational difficulties. Their close allegiance to the Omar Mahamoud clan caused clashes with local fishermen who were of a different clan background. It is also reported that there was an increase in piracy during the period of Somcan’s contract (Jarle Hansen and Melsøy 2006, 2–4). One of the causes for such an increase could have been the distrust between the company and local clans decreasing the legitimacy of the coastguard. It is also likely that Somcan had less leverage to act against pirates, since both pirate groups and Somcan were actors within a balance-of-power framework involving the feuding clans of Puntland (Jarle Hansen and Melsøy 2006, 2–4).

Somcan appears, finally, to have fallen foul of its close links with a single clan entity. In January 2005 Mahamoud Musse Hersi Addee Mussa became president. He was of a different clan background to the Tarrs and his accession to the presidency was followed by a rapid deterioration in relations between the company and the administration. There was even an incident involving an armed clash between Somcan personnel, policemen and the administration’s security forces. Probably inevitably, given the background, Somcan’s contract was not renewed in 2006 when the President gave the contract to Saudi-registered Al Habiibi Marine Services, led by the Saudi entrepreneur Qalid Mohamed Al-Habiibi. Habiibi invested in three new patrol vessels built in Egypt, as well as Egyptian consultants.

The final case study concerns Somaliland rather than Puntland. Nordic Crisis Management (NCM) was contracted to develop security at Berbera port in order to reduce insurance costs for shipping using the port and thus to open it up as an economic motor. This security enhancement included the provision of training packages for the Berbera harbour security force and Somaliland’s police force. The contract, which is ongoing, also provides for NCM to undertake an assessment of the Somaliland coastguard and to make recommendations for its future. NCM’s activities can therefore be seen to fall unambiguously within Shearer’s category II, military advice and training. Funding for the NCM contract was provided by the Norwegian government. Furthermore, NCM has taken great care to avoid all suspicion of tribal partisanship, declining to hire any locals at all and using government-provided personnel where they absolutely needed local support, such as for drivers.

NCM’s contract appears to have been overall successful; a number of harbour security force and police personnel have been trained, tribal and other controversies have been kept to a minimum and, perhaps most tellingly, the contract continues today. Conclusions about NCM’s success in operating outside the tribal dynamic must be discounted, however, because they were aided by the fact that Somaliland has an entirely different level of institutionalization than Puntland. Although elections are heavily influenced by clan negotiations, Somaliland administrative units are, in general, not clan based, hence NCM’s neutrality would have been relatively easy to maintain. We can probably conclude that NCM’s success owes itself to a combination of factors, including their funding arrangements, the lack of contention surrounding their work and the relative stability of the context.

Having exposed the narratives of the three contracts we can now pass on to a themed analysis of the merits of the various decisions taken in letting and executing the contracts.

Case study comparative analysis

Clan/tribal alignment

There are two factors that determine the clan or tribal alignment of a commercial security provider. The first is the means by which they obtain the contract and the second follows from deliberate choices they may make about how to configure their operations. These, in turn, may be informed by whoever is funding the project, be it a local administration or a foreign donor.

In the case of Hart Security, there was no thought of tribal alignment before the company decided to pitch for the work in Puntland. Hart had no history of relations with one grouping or another and, when making their pitch, they dealt with the incumbent authority, which happened to be led by Abdullahi Yusuf. This meant that they were able to configure their operations in such a way

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17 Unless otherwise cited, information in this section comes from various author interviews with Herbert Johan Francke, NCM’s operations manager. The text has been cleared for publication by Mr Francke.
as to maintain a degree of clan/tribal neutrality and so could distance themselves from the majority of the clan/tribal issues that can afflict such a contract. This had the disadvantage that operational effectiveness suffered as a result of having diverse clans represented in coastguard units. The most extreme illustration of this came with the fighting between coastguard personnel of differing backgrounds during the civil war. Ultimately, though, their position became untenable because of the President’s seeming need to reward loyal supporters, a circumstance that could not reasonably have been averted by Hart.

Somcan, by contrast, had a history of loyalty to the clan/tribal grouping of the administration and we can speculate that they won their contract largely through patronage. Given this background, it is unsurprising that Somcan’s operations reflected the tribal background of the company’s leadership, albeit that they may have used some operatives from other clans. Almost more important than the actual way in which the company operated, however, was the perception that was generated by the tribal allegiance of the leadership. Such was the level of antipathy and rivalry between different tribal groupings that any organization with a tribally homogeneous leadership which was granted rent-raising powers would inevitably arouse suspicion and resentment from other sections of the population. In such a turbulent environment there will always be a choice between, on the one hand, attempting to provide for minority rights and an equitable provision of security, and on the other hand, just picking a winner and supporting them in the hope of securing long-term stability. Any organization—be it a national government, an NGO or an international organization—will have to be clear, when making decisions about use of a private security contractor in a transitional context, whether it wishes to promote stability at the price of excluding certain social groups or prefers to emphasize social cohesion at the expense of short- and medium-term stability.

It is worth mentioning that where the contractor is required to operate against threats or actors external to the clan/tribal system represented by their client state or authority, the influence of clan/tribal allegiance is clearly reduced. Had Somcan been hired exclusively to counter an external threat, therefore, their clan position might not have compromised their activities.

It is also worth noting that the mere fact of being a foreign contractor may not imply an inclusive attitude to tribal factors. While many contractors in Iraq prefer to have tribally homogeneous, locally employed staff, on the grounds that operational security is less likely to be breached and the teams are likely to be more efficient on the ground, others, seeking local acceptance, perceive a need to maintain a representative balance. Further, many commercial users of security contractors prefer to employ local companies rather than international providers. In making such a choice, the security providers’ clients accept that there is a risk of their providers being tribally partisan, but consider this risk to be outweighed by the advantages, such as local knowledge, offered by local providers.

18 Conversations with various representatives of security contractors, their clients and demining organizations, including Control Risk Group, PA Consulting, Danish Demining Group, Proctor & Gamble, Novartis, Global Guard (Rotkreuz), Olive Security and Aegis. These organizations are active in a wide variety of unstable operating areas including Iraq, Afghanistan, Sudan, Angola and the Democratic Republic of the Congo.
By avoiding involvement in operations, policy or recruitment activities, NCM avoided all clan-related problems. This detachment was further enhanced by the fact that their funding came from the Norwegian government. Such an approach may not promise dramatic and immediate operational returns and, in that one cannot train an organization that is not already formed and moderately stable, is contingent on a degree of organizational maturity. It probably entails, however, sustainable long-term returns.

**Funding**

Somcan’s funding, which came from the sale of fishing licences, was linked directly to the health of the fishing industry. This might initially appear to have seemed a good way to give incentive to a company whose success could be judged in terms of their ability to protect legal fishermen from pirates and to protect fish stocks from illegal fishing. Giving control of a rent-raising activity to a commercial organization with strong clan/tribal ties, however, could only have exacerbated the resentment of other clan/tribal groups. It is suggested that this means of funding might have been more appropriate had the contractor been more committed to maintenance of a tribal balance. Even in this case, however, and especially where a foreign contractor is involved, care must be taken when linking security contracts to rights over natural resources.\(^\text{19}\) The better compromise may have been that which was applied in the case of Hart, where funding was linked to fishing revenues. Since Hart is an international operator and thus outside the local clan dynamic, control of a lucrative rent-raising activity was not ceded to a tribally partisan group.

The neatest solution to financing, at least from the point of view of independence of the contractor, would appear to be to obtain donor funding. Although this may bring accusations of colonialism it puts the contractor above suspicions of excessive clan/tribal partisanship and is likely to ease their operations where there is a delicate balance to be maintained. Even with external funding, however, the need remains for careful management of clan issues in the conduct of operations.

**Tasking**

As already indicated, security companies provide a range of services spanning Shearer’s categories. It is a truism to say that the more anodyne the activity the less controversial it is likely to be and thus, particularly in the environments described in the case studies, the easier will be the management of the operation. NCM’s activities were strictly limited to category II (training and giving advice), so they avoided any interference in local power balances or control of rent-raising activities. Somcan’s activities included day-to-day coastguard operations that were either in category V or, if more robust, in category I, and thus had direct influence over fishermen’s and pirates’ livelihoods. Given this context

\(^{19}\)This is illustrated by the widespread discomfort felt over allegations that EO was given excessive mineral concessions in return for the provision of security and military services in Sierra Leone and elsewhere in Africa.
it is unsurprising that Somcan’s tribally partisan nature led to operational difficulties. It is suggested that, had Somcan been involved principally in consultancy and training, their problems, and their deleterious effect on the authority’s long-term stability, would have been considerably reduced.

**Choice of PSC**

As noted above, the care with which a contractor attempts to maintain a tribal and clan balance in their activities is determined by a combination of the way that they came to the contract in the first place, the nature of their funding and their natural inclination towards inclusiveness, on one hand, or support of a single grouping, on the other. These factors combined could be said to give the contractor a ‘tribal independence’ score. This score, when set beside a judgement of how susceptible an activity might be to tribal factors, could give an idea of which activities the contractor is most suitable to undertake. Figure 1 gives a very crude representation of the conclusions that can be drawn from the three case studies examined in this piece. It should be noted that the words ‘innocuous’ and ‘hazardous’ as used in the figure could refer to the well-being of the contractors, human security in the subject state and the stability of the subject state.

Figure 1 clearly involves huge generalizations but seems to suggest that, where stability is at least in part hostage to a delicate clan/tribal balance, there may be a good case for the use of externally sourced privatized security, though the contractor and the nature of the contract will have to be balanced and suited to the particularities of the situation.

**Influence on governance**

By turning this conclusion inside out we can make some deductions about the effects that the use of PSCs might have had on Somalia’s governance networks. First, there is the obvious point that in all of the case studies PSCs made at least short- and medium-term contributions to the consolidation of existing governance networks. By promoting licensed fishing at the expense of illegal fishing, limiting illegal trafficking and preventing deleterious foreign interventions—such as the

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**Figure 1.** Effects of actors’ ‘tribal independence’ and operations’ ‘susceptibility to tribal factors’
dumping of diseased livestock—the PSCs had a fairly positive influence on the economy and chipped away at threats to the authority of the governing bodies. The position with reference to piracy needs to be more nuanced, bearing in mind the allegations that piracy increased during Somcan’s contract. Second, we can also make the deduction—speculative but valid nonetheless—that in terms of technical ability and operational effectiveness the PSCs outstripped anything that could have been managed by the governing authorities themselves.

Observations about the long-term effects of PSC involvement, however, are necessarily more clouded. The evidence is that piracy, illegal fishing, trafficking and other deleterious activities will move rapidly to exploit a jurisdictional or enforcement void. This is to say that, unless there has been an effort to develop local capacity, the benefits of a PSC’s operational activities are likely to unravel in the weeks and months that follow their departure as pirates and others move back into the newly permissive environment. In order to judge the effects the PSCs had on local governance networks, therefore, we need to determine the extent to which they developed durable local capacity.

At the tactical level, we can see that the PSCs clearly had a positive influence on capacity. All used and trained local operatives who became better boat handlers, mechanics and guards than they had been before the PSCs arrived. At the operational level, it is probable that coastguards, port-guarding forces and police were, thanks to the PSCs, better able to plan, coordinate and execute their operations. None of this, however, would result in sustainably enhanced capacity unless security governance regimes meshed with other governance networks in the states or substate bodies.

Somcan was closely linked to the incumbent regime in Puntland and there appear to have been tribal links between the company and the President’s office. They might have been said to enjoy a degree of harmony with the existing governance network. Taking a wider view, however, we can see that this governance network was transient and that the wider and longer-term network—or governance regime—of which each transient government formed a part, allowed for a change of regime, a shift in the tribal power structure and thus the demise of Somcan and the unravelling of their work. We can thus describe Somcan’s model as being well meshed with a government but not with the general governance network, so unlikely to offer long-term benefit.

Hart, in contrast, appears to have made an effort to develop a tribal balance among its own employees and the coastguard personnel. We can therefore speculate that Hart’s model might have withstood a peaceful change of regime and was better meshed with the wider system of governance networks than was Somcan’s. The fact that Hart’s wider appeal and greater potential for durability were undermined by civil war and Somcan’s appeal to a particular president’s agenda merely underlines the unsurprising observation that civil war and...
a dissonance between a particular government and the wider governance regime
make for an unpropitious context for development activities.

NCM engaged in tactical and operational training but stayed clear of higher
governance issues, preferring to work within the prevailing governance regime.
Their only influence on governance networks was thus to strengthen, without
judgement, the existing substate polity by enhancing the capabilities of its security
organs. This was, however, backed by the implicit possibility that donor funding
could be withdrawn in the event of a serious deterioration in standards of
governance.

Conclusion

It is impossible to produce a blanket conclusion that the use of privatized security
has been harmful or beneficial to Somalia’s governance networks. We can, however,
say that in some circumstances privatized security has been more
effective than in others. We can suggest that a relatively low-risk operation, such
as NCM’s, which benefited from overseas funding that was free of tribal influence,
and limited itself to training personnel provided by the substate polity, offers
modest but durable tactical and operational benefits. A higher-risk operation such
as Hart’s, involving domestically generated funding and robust execution by
a non-partisan overseas company can offer greater short-term tactical and
operational benefits and may even offer sustainable stability. However, by
interfering, even unwittingly, in domestic power balances, it may also have
dramatically negative effects on governance networks. Finally, a tribally partisan
local operator funded from local public revenue may offer transient stability based
on the supremacy of its own tribal group, but is unlikely to do much for long-term
governability.

The paradox of these conclusions lies in the fact that they question the clear
development doctrine that ‘local ownership’ is vital for sustained reform (see for
instance Hänggi and Scherrer 2007). There is a debate, particularly in the security
sector reform community, about what local ownership means, but it clearly does
not mean Western companies going to Africa and taking charge of law
enforcement and security issues (see for instance Martin and Wilson forthcoming).
Further work is clearly necessary to explore the limitations of local ownership,
particularly in a state that is emerging from a period of weakness, fracture and
violence.

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