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**DEFENCE AND SECURITY
OUTSOURCING WITHIN THE
COMMON SECURITY AND DEFENCE
POLICY**

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Introduction

The controversial involvement of the Wagner Group in Ukraine and Russia's domestic politics has recently shed light on Private Military and Security Companies (PMSCs). Before that, the American PMSC Blackwater, now Academi, also drew public attention for misconduct during its involvement in Iraq (Singer, 2007). While outsourcing defence and security tasks to private actors by public authorities dates back centuries, PMSCs are a strictly post-Cold War trend (Singer, 2003).

Although several categorisations have been proposed, the PMSC umbrella generally encompasses two types of companies. Private Security Companies (PSCs) provide services aimed at protecting individuals, businesses and properties from criminal activities (European External Action Service [EEAS], 2014). Private Military Companies (PMCs), instead, provide services to replace or back-up an army or armed group or to enhance effectiveness (EEAS, 2014). PMCs can be further divided between active PMCs, willing to carry weapons into combat, and passive ones, focused on training and organisational issues (EEAS, 2014).

Several actors at the national level have relied on services offered by PMSCs. Social and political instability has made Africa a fertile territory for these companies, which are hired both by governments and rebel groups (Singer, 2003). Besides Ukraine, Russia has extensively employed PMSCs in other former Soviet republics (Singer, 2003), the Middle East and Africa (McDowall, 2023). Along with the US, many European countries have also relied on contractors for operations outside their territories (Krahmann & Friesendorf, 2011). These only constitute a few examples as the list of customers is much broader. Furthermore, Bertamini (2023) has accounted for some of the most powerful PMSCs in a recent Info Flash.

States and non-state groups are not the only customers, however. PMSCs have been employed by international organisations such as the UN and NATO in the framework of crisis management operations (Cusumano & Bures, 2022). The EU is not an exception to the trend of security privatisation (Giumelli & Cusumano, 2014). The Union acknowledges that hiring contractors has become vital for all military operations, particularly logistics (EEAS, 2014). Accordingly, this Info Flash focuses on the role of contractors within the Common Security and Defence Policy (CSDP). Besides discussing their employment, the aim is drawing conclusions on possible implications for the EU's foreign interventions.

Benefits and risks of outsourcing defence and security services

Outsourcing defence and security services to commercial actors has several benefits. First and foremost, hiring PMSCs constitutes an effective and quick way of filling capability and personnel gaps (Krahmann & Friesendorf, 2011). The lack or overstretch of military capabilities may create a gap between political ambitions and resources available, which has generally widened as overseas military operations have increased and most armed forces have decreased in size in the post-Cold War years (Bailes & Holmqvist, 2007). Consequently, outsourcing services such as logistics has increasingly become a necessity. PMSCs can also provide valuable local knowledge (European Parliament, 2017).

Second, in some cases, employing contractors entails inferior costs, higher flexibility and effectiveness (Bertamini, 2023). Private companies can generate economies of scale and provide specific services at lower costs than by employing regular forces (Krahmann & Friesendorf, 2011). Their personnel can claim a specialised expertise in several fields, while companies themselves generally adopt cutting-edge technologies and equipment (Bertamini, 2023). Moreover, since employees are mainly recruited from national militaries, their training and evaluation costs are mostly borne by states (Singer, 2003). The creation of economies of scale, employees with specialised skills and low training expenses ultimately explain why PMSCs can provide services at lower costs than by training and employing regular forces.

Third, outsourcing defence and security services might offer a solution to complex political situations without governments being openly involved (Finabel, 2008). The companies' lack of transparency can also allow governments to circumvent parliamentary and public oversight (Krahmann & Friesendorf, 2011), as well as hinder investigations into misconducts and impede efforts to ensure their compliance to international law (Bertamini, 2023). Therefore, policymakers can escape political accountability while covertly pursuing their interests.

Most risks related to outsourcing defence and security tasks are the flipside of benefits. Just as the lack of transparency about PMSCs might play in the employer's favour, it can conversely entail significant risk. While corporations are not directly liable for breaches of international law, concerning war crimes for instance, there is the possibility of imputing misconducts perpetrated by PMSCs to states and organisations that hire them (White & MacLeod, 2008). Consequently, for democratic countries, employing contractors requires conducting careful background checks, considering complex moral issues and monitoring their performances (Finabel, 2008).

Similarly, just as PMSCs can provide cost-efficient services, collusion among competing firms and overpricing related to the uncertainty of a conflict can significantly increase expenses (Marilli, 2011). Covert financial abuse is also likely to take place if the contract is not sufficiently specific and overcharging might occur when hiring companies in haste in immature markets (Bailes & Holmqvist, 2007). Even if cost-efficient, outsourcing progressively increases state dependency on the private sector for security and defence (Council of the EU, 2023). Furthermore, states' extensive reliance on PMSCs can significantly empower these groups in the long-term and ultimately allow them to challenge states' security (Bertamini, 2023).

Services outsourcing in the CSDP operations

The 2014 “EU Concept for Contractor Support to EU-led military operations” provides contractors’ employment guidelines. It states that the EU will not employ PMCs under any circumstances and outlines the scenarios under which PSCs may be hired (EEAS, 2014). These include unavailable or insufficient military capabilities, the need for cost-effective solutions and a lack of specialist skills (EEAS, 2014). Contractor support may involve life and medical support, welfare support, supply provision, maintenance, transport, engineering support, communication and information services, interpreter services, geospatial intelligence and security guard services (EEAS, 2014).

In every CSDP civilian mission, the EU has relied on PSCs to provide security services and protect its personnel, buildings and convoys (Cusumano & Bures, 2022). Other contracted services include facility management, medical support, consultancy and training, transportation and construction (Cusumano & Bures, 2022). PSCs have provided hostile environment training in EUPOL Afghanistan and EUMM Georgia, as well as various training services in EUPOL COPPS (Giumelli & Cusumano, 2014). Moreover, the EU has outsourced the provision of encryption systems for strategic communication in EULEX Kosovo, as well as interpreting and translation services in EUPOL COPPS and EULEX Kosovo (Giumelli & Cusumano, 2014).

Instead, military missions have relied less on security services and more on facilities’ management and medical support (Krahmann & Friesendorf, 2011). PSCs have also provided services related to transportation, construction, consultancy and training (Krahmann & Friesendorf, 2011). The EU has repeatedly outsourced transportation services to address its lack of airlift capabilities (Krahmann & Friesendorf, 2011). All military missions have outsourced the management of communication and information systems and the provision of personnel support tasks (Giumelli & Cusumano, 2014). Contractors have then provided airborne ground surveillance and reconnaissance in EUFOR Althea, camps construction and laundry services for operation Artemis and several logistics services in EUFOR Tchad/RCA (Krahmann & Friesendorf, 2011).

Implications of Outsourcing for the EU

Although relatively short, the history of CSDP civilian and military operations provides some lessons. First, a gap has often emerged between the political ambition and resources made available by member states (Christensen et al., 2017). A second issue is the lack of proper analysis and inability to grasp the situation on the ground (Christensen et al., 2017), which is driven and exacerbated by the scarce availability of reliable intelligence (Meyer, 2020). Third, the authorisation and oversight demanded by member states have frequently resulted in an inability to launch timely and rapid responses to crises (Christensen et al., 2017; Meyer, 2020).

These shortcomings bear the question of whether outsourcing has positive or negative implications on efforts to address them. The main benefit of outsourcing is probably filling capability and personnel gaps (Krahmann & Friesendorf, 2011). Since the EU has ruled out the involvement of PMCs, outsourcing in the CSDP framework only concerns PSCs. Their employment might effectively close urgent gaps to make up for the lack of commitment by member states and provide a rapid and timely response (Giumelli & Cusumano, 2014). Hiring contractors for transportation support in CSDP military missions provides a good example. Outsourcing logistics support also positively impacts interoperability among the national forces involved. However, contractors constitute a short-term, temporary fix to the lack of interoperability, rather than a viable long-term solution.

Nevertheless, there are limitations on what tasks the EU can outsource (EEAS, 2014). PSCs cannot fill any personnel or capability gaps. While Marilli (2011) discusses the potential for the EU to employ contractors to engage in combat and stabilise conflicts, the direct participation of PMCs in hostilities has been ruled out (EEAS, 2014). Rather, PSCs support is likely to be limited to technical services, such as maintenance, systems support and IT services, and operational support, such as facilities management, logistics and training (Marilli, 2011). In the 2018 EU Concept for Logistics Support for EU-led Military Operations and Missions, the EU has further highlighted the importance of PSCs' contribution for logistics and other support roles (EUMC, 2018). Furthermore, increasingly relying on contractors to fill capability and personnel gaps might further diminish member states' commitment to providing resources. Confronted with the political difficulties related to providing these resources, states will likely opt for outsourcing.

Gaining access to timely and reliable intelligence to effectively assess the situation on the ground is another critical issue. During EUFOR Althea, the EU outsourced airborne ground surveillance and reconnaissance (Krahmann & Friesendorf, 2011). Marilli (2011) envisages a growing reliance of the EU on PSCs specialised in these tasks for its overseas operations. The EU includes geospatial intelligence services among the tasks that can be outsourced, but it rules out intelligence analysis (EEAS, 2014). This might hamper PSCs' positive contribution since analysis constitutes an integral part of the intelligence cycle (Maltego, 2022). Furthermore, the EU has not clarified whether it will outsource other similar services, including human and signals intelligence. Overall, the evidence does not suggest that PSCs will significantly improve intelligence collection and situation analysis for upcoming CSDP operations.

It is also worth considering some negative implications of outsourcing. First comes the risk of failure to deliver the contracted support by PSCs, which demands a pre-emptive and thorough risk analysis by the EU (EEAS, 2014; EUMC, 2018). Preventing the risk of over-pricing by the contractor also requires establishing stringent contract performance management and a feedback process encompassing all parties involved (EEAS, 2014). Overall, it is crucial to establish stricter obligations for PSCs involved in CSDP operations (Davitti, 2019), as well as common European guidelines for hiring, using and managing contractors (European Parliament, 2017).

Outsourcing might then undermine the EU's legitimacy and its efforts to improve stability (European Parliament, 2017). Employing local PSCs in crisis-prone regions might also unintentionally strengthen armed actors, eventually increasing instability and insecurity in their region (European Parliament, 2017). Furthermore, Devitto (2019) accounts for how PSCs have shaped the European Agenda on Migration through lobbying activities to become essential players in addressing migration crises. Similarly, a growing PSC involvement in CSDP operations through active roles carries the risk that these companies will increasingly attempt to shape the EU foreign interventions.

Conclusive Remarks

The trend of outsourcing defence and security services has affected states as much as international and regional organisations such as the EU. Political difficulties related to the force generation process have further fuelled the reliance of the CSDP on contractors. Employing PSCs for support duties, logistics most notably, has the potential to enable the Union to build up more timely, flexible and effective responses to crisis situations abroad. Nevertheless, there is also a concrete risk that outsourcing will further drive member states to scale down their commitment and involvement in the CSDP.

The EU has provided some guidelines and the European Parliament has drafted recommendations on the hiring, employment and management of PMSCs. Nevertheless, it is vital to provide stricter obligations on these companies and rules for their hiring at the European level. The aim is to avoid potential misconduct by PMSCs on duty, prevent financial abuses related to contract fulfilment and forestall companies' efforts to influence and shape the CSDP to an excessive extent. Hopefully, the preponderant role that the Wagner Group has been playing within Russia's domestic politics during the last decade, culminated with the attempted coup, may act as a wake-up call to increase public awareness and political oversight over PMSCs.

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