

PRIVATIZING IRAQ'S SECURITY SERVICES

by

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Abstract

The goal of the Coalition Provisional Authority (CPA) is to create the conditions for a full transition to a market economy. The CPA's objective is "robust economic policy reform" that includes the introduction of a privatized security services industry. Defining the differences between public safety and private protection services are essential to develop strategies to move an emerging Iraqi security industry toward primarily function-based forms.

Iraq's cultural environment represents a challenge not easily overcome by management techniques alone. Suitable regulatory mechanisms must reflect cultural, historical, and socio-economic conditions. Appropriate legislation, education, and certification must precede the introduction of a security services industry based on western organizational concepts and business ethics.

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Glossary

Facilities Protection Service (FPS): Federation of trained, armed, uniformed entities of the Iraqi Government Ministries and Provincial Governates charged with the protection of infrastructure and fixed sites. The standards of dress, training, certification and deportment for these organizations are established and enforced by the Ministry of the Interior. Private firms may hire FPS-like guards under license from the Ministry of Interior. Private sector guards will be integrated into Governate coordination structures.

Non-military security services: Private security firms providing non-military advice and services to non-military clients. Included in this group are companies that provide locally hired non-professional guards, crime investigation services, criminal intelligence analysis, crisis management planners, risk assessment analysis, and corporate intelligence services. Services include training bodyguards, equipment suppliers, and technology providers.

Military security services: Private security firms that supply personnel, equipment, training, arms, and expertise in military skills to various clients. Military security refers to any and all functions normally attributed to military formations other than combat duties. This includes weapons and tactics training, intelligence training, counter-terrorist training, military technology training, military logistic or transport services, field medical skills, armed guard services, and military research-development advice. Military security services personnel do not cross the line into active involvement in either combat or combat support activities.

Chapter 1

The purpose of this preliminary study is to assess the practical applications and potential effects of establishing a security services industry in post-Saddam Iraq. It looks beyond the immediate security and protection requirements in the post-war reconstruction period and focuses on the long-term receptiveness of the Iraqi people to a coalition-imposed security concept. Solutions will require a holistic approach, which must include cultural and technical features, especially as it relates to the introduction of a privatized security services industry. Iraq remains vulnerable to internal strife as the country transitions from an institutional dictatorship to an open society with a democratically elected government. The introduction of a western style commercial security industry, while in keeping with the Coalition Provisional Authority's (CPA) goal of transforming the economy from a highly protected and controlled command economy to a free market system, may well create new security challenges in the long term.

This paper addresses two permeating social influences, kinship ties and the patronage system, and draws on socio-economic, cultural, and anthropological factors to identify potential challenges facing the development of an Iraqi security services industry. A brief overview of western security services concepts and CPA's vision for transforming protective services in Iraq is included to stimulate further discussion. Finally, it highlights a number of strategies to shape the emerging Iraqi security services industry toward primarily function-based forms.

Kinship Ties

The introduction of a security services industry will face a number of challenges. The imposition of a privatized security industry based on western models may be received as an assault against traditional socio-economic relationships. On the other hand, it may be adapted in unanticipated ways reflecting traditional communal relationships. At a minimum, we can expect existing communal relationships to be affected and power redistributed in yet indeterminate ways. Policymakers and practitioners must therefore understand how power is perceived and exploited by the various segments of Iraqi society before initiating change in how protection is provided to society at large.¹

The present-day Iraqi economic system is a curious mixture of different modes of production, all operating at once, rendering it simultaneously semi-feudal, semi-socialistic, and semi-capitalist. Concurrently, Iraqi society represents a mixture of religious fundamentalism and secular intellectuals, traditional practices and cosmopolitan attitudes. A transition to a western style securities services industry therefore cannot be solely based on economic and political enticements or purely strategic considerations. Neither can it solely focus on cultural, ethnic, and religious differences.

Despite the creation of the modern nation-state after the collapse of colonial rule, the basic unit of identification for the individual is not the state, the ethnic group, or the professional association, but the family. Families from minority communities govern their respective societies. The kinship system, as a strategy

¹ The Combined Joint Task Force –7 has received requests by a number of sheiks in the Basra area for permission to establish a tribal security council. Furthermore, the services of select tribal militias to protect vital infrastructure was offered to the coalition. The sheiks further requested the enactment of emergency laws and authorization to execute perpetrators of serious crimes.

for survival, has proved highly flexible and effective over the centuries under a variety of social, economic, and political conditions. Kinship, in Iraq, is implicated in nearly every aspect of life and most social institutions, including religion and morality. This fact is the key factor that dwells at the core of successfully introducing a privatized security services industry; the acquiescence of individuals to cross at least part of the spectrum of Iraqis communal groups and to identify with the ethics of a professional association dedicated to the impartial protection of property and individuals.

At least three-quarters of the Iraqi population are members of one of the nation's 150 tribes.² Family ties and a strict honor code bind them more than ethnic background, religion, or professional association. Most large tribes have a hierarchical structure, with a leading lineage, a number of commoner clans/lineages, client lineages and subject non-tribal peasantry. Some of these tribes explicitly recognize the heterogeneity of their component parts and are called confederacies. Inter-tribal conflicts and coalitions profoundly impact on tribal structure. The degree of complexity and internal stratification of a given tribe depends primarily on two external factors: the availability of resources and the extent of state interference in internal affairs. Clientele and the absence of citizenship in the Western sense of the word have profound implications for an emerging security services industry. Private justice is meted out through a network in which political and/or religious leaders determine the outcome of feuds between clans and conflict between individuals.

² Gain, Stephen, j “*Stronghold Can Backfire :Iraqi Tribes are Key Source of Loyalty, Rebellion.*” Wall Street Journal, May 23, 2000.

Tribes: Sword in the Hands of the Leader

By the 1960's, Iraq had all the trappings of a modern nation state, with an educated elite. After seizing control of Iraq after a military coup, Saddam restored tribal identity that had been fading in Iraq for generations negotiating what amounted to power sharing agreements with the sheiks. The tribes became his prime source of power outside of Baghdad developing into a combination of mercenary army, local government and loyalty club, paid and patronized for maintaining order and fealty.

During his reign, Saddam empowered a network of tribes in place of the institutions of state. These tribes, both traditional renditions and modern constructs of self-contained social units, took three forms. Political tribalism found in the descending hierarchy of families, kin, and tribal allies integrated into the state in order to ensure status, legitimacy, and power and social tribalism created by a government that proved itself incapable of ruling a modern urban society. These were not traditional but makeshift tribes, a nouveau rich mafia that included Arab Sunni and Shia, as well as Kurds; all tied directly or indirectly to the premier tribe, the Tikritis. Collecting tribute and exercising police and judicial power, they became an extension of the state itself. The third form, military tribalism, emerged after the uprising in 1991 when Saddam armed both Sunni and Shia tribes in the interest of his own defense. The resulting system encouraged violence in the countryside pitting tribe power against tribe. Armed with machine guns, rocket launchers and mortars provided by the regime to impose the authority of Baghdad, dependent tribes sought to dominate one another while curtailing regime influence in tribal affairs.

Chapter 2

Patronage System

The second challenge facing the successful introduction of a security services industry is the practice of patronage. Although patron-client relations play an important role in the distribution of goods and services among the population, ties of patronage are essentially asymmetric. The patronage system highlights the predicament of applying Western business practices in communally based societies where patriarchy is predominant. This problem is related to the basic reality that Iraq lacks citizens in the Western meaning of individuals bound to one another and the state by an agreed-upon interlocking system of rights and duties. What we have instead are individuals belonging to communities and abiding by their own rules and rituals.

Heredity and family background are generally much more important in Arab society, and not just at the top levels, than they are in the west. Families and in some cases tribes, have a duty to look after their own members, with the result that nepotism is regarded as a virtue rather than a vice. The patronage system does allow for social mobility, but advancement tends to come through cultivating connections (and often corruption) rather than merit. Whether politics or business, all decisions revolve around two basic choices: to promote an insider or outsider. If an outsider were chosen, the patronage system would collapse and perhaps be replaced by a new one with different beneficiaries. Promoting an insider would allow the patronage system to remain intact, but risks opening up rivalries if the chosen person fails to stamp his authority on

the system quickly enough. ³This integrated web of patronage constitutes a “shadow state”. These are networks beyond the facade of public institutions and Iraqis are obliged to seek favor from the networks of patronage through which substantial resources continue to flow.

A merger of the existing patronage system and private security services industry may in time grow to threaten the stability of the Iraqi state. Select security companies could become the instrument for ambitious individuals, clans, tribes or political parties. Ex-high ranking politicians, or military officers may attempt to exploit the industry for political purposes, especially those from elite families that historically have used the military as a means to political power. An under supervised security services industry could lead to the emergence of new types of networks growing out of existing tribes establishing alternative centers of power based on well-trained “legal” para-military capabilities.⁴

³ Whitaker, Brian, *Hereditary republics in Arab states*”, Guardian, August 28, 2001, <http://www.guardian.co.uk/elsewhere/journalist/story/0,7792,543387,00.html>

⁴ Coalition efforts must focus on developing professionalism and curtailing power of private sector security firms.

Chapter 3

Iraqi Security Services Industry

The aim of the CPA is to assist in creating the conditions for a full transition to a free market economy. In support of this aim, it will “engage the private sector, both domestic and international” to assist in this endeavor. The core economic objective and supporting sub-objectives envisions initiating processes “leading to robust economic policy reform and objective free market economy management, including a focus on regulatory change, training and routing out corruption.” One sub-objective is to “develop accelerated training programs for business managers, management best practices and business ethics.”

Identifying the need to “preserve the institutions and facilities of the government ministries of Iraq”, and recognizing the requirement for “a body of trained and appropriately equipped personnel...to protect (the) governmental installations in Iraq”, the CPA published a draft v.1 order establishing the Facilities Protection Service (FPS). The FPS consists of “employees of private security firms” encourages the transition from government security to private security services providers for “ministry or governorate through contracts provided such private security firms and employees are licensed and authorized by the Ministry of Interior...”. A privatized security industry will comprise a segment of the free market.

Draft CPA Policy Paper, Facilities Protection Service, dated 1 Aug 03 is a more detailed attempt to define the FPS program and establish responsibilities and administrative guidelines. It identifies the Ministry of Interior (MOI) as the

proponent agency to “establish and coordinate” the facilities protection program. The policy directs the (MOI) to develop professional standards and training program for FPS activities and “for the contracting of private guards or private guard businesses”. It authorizes “any public or private agency that is required to provide, or does optionally provide... protection” to “employ facilities protection personnel from either the private or public sector”. The MOI is further charged with regulating “any business providing guard services or any person providing guard services to either the public or to the private sector in the future”.

A set of proposed regulations of the private security services industry is outlined in Annex J, Regulation for Private Guard and Private Guard Service Businesses to Policy Paper on the Iraq Facilities Protection Services, dated 1 August 2003. It summarizes, for example, the administration of the program such as the establishment of three private security disciplinary review committees responsible for the northern, central and southern region of Iraq as well as their functional and regulatory responsibilities. It is a distinctly western product, which assumes the existence of an Iraqi security services industry that presently does not exist. It is therefore of limited application in Iraq until a comprehensive public, as well as private sector administrative infrastructure is in place. On the other hand, the document does provide the basis for a security services industry should it emerge based on western organizational concepts and adhering to western ethical business practices.

The document, titled Unified Security Services Contract for Iraq, explains procedures for obtaining “high quality security services of various types for a

wide variety of customers across Iraq”.⁵ The target audiences for this document, by default, are foreign security services providers. They are required to meet the “qualification criteria as established by the Iraqi Ministry of the Interior” which includes maintaining insurance and bonding “in the types and amounts as may be required by the Iraqi Ministry of Interior”. This requirement certainly disqualifies any Iraqi security provider interested in bidding for contracts due to the lack of available insurance in the present economic environment. It is further challenged by the fact that no public sector administrative infrastructure is in place to regulate private security services.

To curtail cultural influences, such as kinship networks, patronage and corruption, will require appropriate regulations to monitor the industry. CPA draft v.1, Establishment of the Facilities Protection Service, section 2, paragraph 7 directs that members of the FPS “may not participate in any manner in organizations or activities that advocate racial, gender or ethnic hatred or intolerance; advocate, create, or engage in illegal discrimination based on race, color, gender, religion, or regional origin....”. This directive misses the point since kinship networks and the patronage system are the driving forces behind “discrimination”. Family ties bind the community and provide access to private and public employment. Discrimination is based less on race, color, religion, or regional origin and more on kinship ties and access to power. The greater challenge ahead is establishing appropriate oversight instruments to monitor attempts of, or the use, or advocacy for the “use of force or violence or other unlawful means to achieve internal political goals”. Initial efforts to establish culturally relevant regulations for an Iraqi security services industry will most likely look to western models as a guide.

⁵ CPA, Unified Security Services Contract (Draft), August 2003.

Western Models

Attitudes among western security services providers vary in their philosophy to regulatory requirements. The Adam Smith School favors deregulation, caveat emptor and letting market forces rule. The Fabian School, on the other hand, argues comprehensive regulation by governments or government agencies and licensing of practitioners and companies. The third school favors a largely deregulated security services environment with the industry disciplining itself.⁶ Opinion varies as to whether industry regulation should have legal force and, if so, in what form. It has to be added that a large number of companies, especially those employed in low skill positions are entirely unconcerned with such considerations, apart from the existence and size of licensing fees. Few, if any, western security services employees are commissioned with law enforcement powers. Generally, they possess the same powers possessed by citizens. None of the industry regulation statutes confer special powers. In the west, a number of bodies exist to represent private security interests. Presently, associations established to represent security services interests possess standards and/or codes of ethics, but which are rarely if ever enforced and in any case, few have clear protocols for the reception and resolution of client or public complaints in respect of members. The most severe punishment would be cancellation of membership. No inhibition on further employment in the field would be involved unless there was a statutory provision for police to intervene. Western security services providers operate in accordance with market forces. If they do not satisfy their clients they generally do not remain in business. This may not be the case in Iraq where patronage and tribal responsibilities add a communal twist to market forces with differing results. Regulatory requirements for an emerging Iraqi security services industry must

⁶ Swanton, Bruce, *"Police & Private Security: Possible Directions"*, Australian Institute of Criminology, February 1993, page 4

be carefully considered in terms of jurisdiction, statute, license, and controlling body.

An initial step in the transition from government control to a free market activity is to define the differences between public safety and private protection. The variety of threats to public and private assets often requires specialist assistance in protecting them. There are, moreover, many assets, such as neighborhoods and social stability, which confer community rather than private benefits. Governments respond by establishing public financed protective services such as fire departments and police forces. Commercial organizations, however, sell protection to those having both a private security need and a capacity to pay. Employees of private organizations may offer crime and safety-related protection services. The two groups occupy a largely functional domain in which a degree of tension exists between the two. Protection refers to controlling risks involving those things we value, such as public peace, safeguarding property, state security, etc.

Police and private security services providers are those organizations and individuals dedicated to controlling the behaviors and circumstances, which threaten security.⁷ Although similar in function, they differ in their roles. Difference in focus and style exist between police and private security services organizations. One operates non-commercially for the most part, whereas private security services organizations operate commercially. Private security firms are primarily focused on securing physical assets from criminal and other threats, while police address a wider range of often-intangible assets in addition to property, such as public safety, peace, and criminal law. Police protection

⁷ Ibid. page 2

activities are primarily threat (offender) oriented, whereas private security firms are primarily asset (property) oriented. Private protection is mostly accountable to private interests, such as clients, owners, stockholders, and industry associates, although clients are sometimes government agencies while police are answerable to ministers, public control boards, or police complaint departments. Police operatives are equipped with coercive powers not normally available to other citizens; private security service providers are not so empowered. Further discussion how they might interact and how they might develop in Iraq is required to define the purposes served by police and private security firms.

Chapter 4

Public and Private Security

If we consider the potential risks to public safety that a shadow state, in the form of kinship networks and patronage system could assume, security, like justice, might be easier monitored if it remained an extension of government rather than a strictly private enterprise. Police agencies are regulated by statute. All workers within a jurisdiction and operating in an environment that involves stopping, questioning, and arresting people, to say nothing of searching them, should adhere to similar provisions with respect to their conduct. That is to say, if serving police officers are subject to oversight by a complaints authority, so should their private sector equivalents, such as patrolmen, guards, and the like. Police external complaints structure could be adjusted to cater to complaints concerning the conduct of the security services industry. In fact, all persons possessing coercive authority and potentially exercising physical force must be subjected to such control. The police function is defined here as protecting communities through resolving conflict, preventing crime, maintaining a deterrent presence through patrol, and enforcing laws. Protection is the concept that best links the functions of both the public and private sphere within a common domain and educational field. The fact that police are primarily offender oriented in the pursuit of protection, and private security primarily asset focused does not change this fact.

Integration

It may be more appropriate, in light of the cultural differences between western and Iraqi practices to closely integrate the industry as an adjunct to the police

service.⁸ The introduction of a privatized security industry must include qualified and accredited private sector operatives and if empowered with similar coercive powers must also be subjected to the same conduct controls. New forms of partnership between police and security services companies could include contingency planning and crisis management following terrorist incidents or natural disaster. Policing functions possess a clear potential for occupational development. Functions are limited neither to particular organizations nor specific employment sectors. Police agencies and security services providers are linked by a large number of common functions, including detection, investigation, intelligence analysis, rescue, protective security and crime prevention. Those functions operate across organizational boundaries, such as customs, immigration, banks, and so on, regardless of whether they are publicly or privately funded.

Legislation

Protection of assets impacts the public, to say nothing of personal safety. In addition, poorly articulated and implemented protective functions place assets, especially people at risk. Thus the types of restrictions placed on the security services industry, contractors, and practices are important. Appropriate legislation to supervise security providers is the cornerstone for a well-regulated industry. A prerequisite will be to license private protection organizations and place legal terms of obligations upon them in terms of justice as well as client interest. Codes of conduct and practices, perhaps legislated, are necessary to guide the security services industry when dealing with misconduct and criminality.

⁸ Integration of public and private spheres of security services providers could result in the creation of public safety agencies in small jurisdictions and specialist agencies i.e., pipeline security, in large jurisdictions.

Education

Although appropriate legislation would address misconduct and criminality, it does not address the deep-rooted cultural customs of kinship and patronage. Additional efforts to influence “business as usual” will be required. A common educational field known as protection could be initiated with closely targeted diploma and certification programs, such as management, investigative techniques, crisis management planning, risk assessment analysis and the like. Undergraduate degree structures could over time reflect the entire protection domain. Associated with the growth of protection education will be the development of accreditation, at least within those jurisdictions deciding to develop accreditation processes. Due to the range of technical competencies involved in protection and the different levels at which responsibility is exercised, accreditation will need to cater to graduates and non-graduates perhaps with tiered systems as favored by other professional bodies. Appreciation of the commonalities existing between police and private protection communities, and the occupational, organizational, educational, operational and industrial implications, which flow from acceptance of the protection concept, could shape the emerging Iraqi security services industry in new, primarily function based forms.

Security Services Categories

Categorizing specific security services will assist in licensing, regulating and monitoring the industry. What follows are suggested security services categories to stimulate discussion. The first category would embrace **non-military security services**. These firms provide non-military advice and services to non-military clients. Included in this group would be companies that provide locally hired non-professional guards, crime investigation services, criminal intelligence analysis, crisis management planners, risk assessment analysis, and

corporate intelligence services. It would also include training services, bodyguards, equipment suppliers, and technology providers. The second category would embrace **military security services**. These firms supply personnel, equipment, training, arms, and expertise in military skills to various clients. Military security refers to any and all functions normally attributed to military formations other than combat duties. This includes weapons and tactics training, intelligence training, counter-terrorist training, military technology training, military logistic or transport services, field medical skills, armed guard services, and military research-development advice. Military security services personnel do not cross the line into active involvement in either combat or combat support activities.⁹

Conclusion

Introduction of a western style security services industry cannot be based solely on economic and political enticements, or purely strategic considerations. Legislation and western management techniques introduced to monitor an Iraqi security services industry must consider and be attuned to the socio-economic, cultural, and anthropological factors that motivate Iraqi society. The CPA must safeguard against believing that the challenges faced in Iraq are essentially a management problem. Although both the CPA and the Combined – Joint Task Force (CJTF) are providing advice and training, they must not delude themselves into thinking that technical solutions and the development of civil procedures that seem workable are being received and absorbed by the people at large. The danger remains that the security industry will evolve to reflect a new type of network growing out of existing kinship ties and patronage practices with unexpected consequences. The art is to clothe western management initiatives, education, techniques and training in terms of accepted

⁹ Davis, James, R “*Fortune’s Warriors*”, Douglas & McIntyre, 2000, pages 30-31

cultural norms while concurrently accentuating the more noble practices of indigenous culture.

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