

THE ROLE OF PRIVATE SECTOR IN ENSURING NATIONAL SECURITY

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Abstract: This paper presents research that speaks about of the need for change in the relations between national security system and private sector. The private sector role in the change process is important and better understanding and cooperation between those two sectors could increase national defense capabilities and security. The private sector is better prepared to operate in the contemporary environment (globalization, competitive markets, etc.) but defense sector has to begin to utilize advantages of modern management and cooperation with private sector with the aim to enhance overall performance and capabilities.

INTRODUCTION

Supporting the national development, every democratic government aims to improve public program effectiveness, service delivery, accountability, decision-making and internal management. In the security sector which is one of the most important systems in the State, one with the largest number of employees

and one of the largest in terms of financial expenditures, it is vital to find the optimal way of using available resources in implementation of national security.

To better understand the research presented, it is helpful to clarify the terms "security", "National Security Strategy", "private sector" and "public sector."

There are a lot of definitions of security but we could use this [1]:

“Security is increasingly viewed as an all-encompassing condition in which people and communities live in freedom, peace and safety, participate fully in the governance of their countries, enjoy the protection of fundamental rights, have access to resources and the basic necessities of life, and inhabit an environment which is not detrimental to their health and wellbeing.”

“The security of people and the security of states are mutually reinforcing. A wide range of state institutions and other entities may be responsible for ensuring some aspect of security.”

That definition explains very clearly the new concept of security (human security) which puts people on the first place in contrast with the previous, traditional concept of security – which revolves around the protection of states from military threats. Moreover, the definition puts in place questions of actors which deal with security and introduces non state entities in the field of security.

The first and most important step in the building conditions for sustainable development of nations is the construction of clear and widely accepted vision of national security. National Security Strategy is, according to The Free Dictionary:

“The art and science of developing, applying, and coordinating the instruments of national power (diplomatic, economic, military, and informational) to achieve objectives those contribute to national security. Also called national strategy or grand strategy.”

(<http://www.thefreedictionary.com>)

According to Wikipedia, definitions of public and private sectors are:

***The public sector** is the part of economic and administrative life that deals with the delivery of goods and services by and for the government, whether national, regional or local/municipal. Examples of public sector activity range from delivering social*

security, administering urban planning and organizing national defences.

The private sector of a nation's economy consists of those entities which are not controlled by the state - i.e., a variety of entities such as private firms and companies, corporations, banks (other than central banks), charities, non-governmental organizations and individuals

(<http://en.wikipedia.org/>)

In the field of security there are a lot of definitions but for the purpose of this paper it is acceptable to use definition of U.S. Department of Justice which said [2]:

Private security services fall into two categories:

- *proprietary or corporate security which refers to the security departments that exist within businesses or corporations (corporate security departments),*
- *contract or private security firms by contrast sell their services to the public, including businesses, homeowners, and banks (guard companies, alarm companies, armored car businesses, investigative firms, security equipment manufacturers).*

Outsourcing

Outsourcing is a strategic management model wherein business processes are transferred to another company. It means that a company uses an outside firm to provide a necessary business function that might otherwise be done in-house. Outsourcing involves transferring or sharing management control and/or decision-making of a business function to an outside supplier, which involves a degree of two-way information exchange, coordination and trust between the outsourcer and its client (<http://en.wikipedia.org/wiki/Outsourcing>).

Such a relationship between economic entities is qualitatively different than traditional relationships between buyer and seller of services. It involves partners in an "outsourcing" relationship to dynamically integrate and share management control of the process. It is different from contracting and subcontracting relationships where both entities remain separate in the coordination of the production of goods and services.

The basic aim of outsourcing in security sector is to provide services and goods at lower cost through cooperation with private sector. Through saving in internal cost and more efficiency, the additional amount of money can be allocated for the achievement of that basic task. Moreover, outsourcing can make business process and services more efficient, enabling the services to focus on their primary tasks while improving service quality and responsiveness.

Area of outsourcing could include base operating support, property and equipment disposal, distribution and transportation, warehousing, housing, accounting and finance, and depot-level maintenance. However, the main field of cooperation could be homeland security, education and training and cooperation with private military companies.

Homeland Security

Since the attacks of September 11, 2001, in the USA collaborative partnerships among government organizations related to security and private security partnerships have been viewed as critical for protection and to preventing terrorism. This relatively new model of security and partnership imply better cooperation among government organizations and agencies, local law enforcement and private security organizations.

National Security Strategy and strategic planning process have to define guideline and responsible actors for searching a way to balance activities in homeland security. Limited and sometimes scarce resources must be allocated based on need, leading some chief executives to acknowledge that they are having considerable difficulty conducting this balancing act.

Private sector owns (and protects) the overwhelming majority of the country's infrastructure but government and local organizations and agencies tends to possess some threat information regarding that infrastructure. The 9/11 Commission estimated that 85 percent of the nation's infrastructure is privately owned. Infrastructure includes not only physical assets, such as buildings, but also energy production facilities and assets, utilities (e.g., water and waste management), and transportation and communication networks. The number of people employed by private security, moreover, is at least three times larger than the number employed by public law enforcement. The amount of money spent on private security is many times greater than state, county, and local law enforcement expenditures combined [2].

Education and Training

One of potential area of outsourcing is education and training. A good example of that is the contract between the United Kingdom Ministry of Defence and Cranfield University.

Through this contract, the MOD will deliver postgraduate education and training to around 4000 students per year. It covers around 80 different courses on a range of topics including defence technology, information management, strategic leadership, acquisition management and security studies. The new contract begun in August 2006 with the new academic year, contract will run for 22 years and the Ministry of Defence will invest £366M into educating its Service and civilian personnel.

Defence Academy of the United Kingdom

http://www.da.mod.uk/DefenceAcademy/news/contract_signature/

Some modern military forces (United States, United Kingdom...) are increasingly turning to skilled contractors for training expertise. They view outsourcing as a means to achieve cost savings and efficiency.

Military training and education programs, both domestically and internationally, are populated by expert contractors who instruct individuals and units in language laboratories, medical clinics and other learning venues. Often, these experts possess prior military service themselves, making them ideal instructors when they return to the military bases they served to impart their lifetime of knowledge. For example, aviators who have recently retired or separated from the military service rely on their operational currency and airmanship proficiency to help aspiring pilots develop their flying and warfighting skills in simulators. And it is the private sector that often maintains those training devices in a mission-ready status.

Outsourcing in training is very important and military organizations have a compelling reason to selectively transfer to contractors the day-to-day operation and maintenance of flight simulators, classroom training and other functions. There are two examples of cooperation in the field of training:

1) The E-3 Sentry is an Airborne Warning and Control System (AWACS) aircraft, which provides all-weather surveillance, command, control and communications needed by commanders of the United States, NATO and other allied air defense forces. L-3 Communications' Link Simulation and Training holds 15-year USAF

contract worth about \$160 million for the service's E-3 Contractor Training and Simulation Services program. That program was the first service aircrew training system to use the commercial training services approach.

2) Thales Group UK provides the flight simulation and synthetic training program called the Integrated Aircrew Synthetic Training Service (FIASTS) to the U.K. Royal Air Force (RAF). The Thales Services division, which includes the company's simulation activity and military training services segments, handles the contract. The contract is valued in the region of €140m and may run for more than 13 years, provides synthetic training and maintenance services to the aircrew of nine different RAF aircraft.

Thales won the agreement in competition in 2002 under a U.K. MoD The Public Private Partnership procurement initiative. Under the terms of the PPP concession, Thales has bought back from the RAF some 20 simulators and 64 part-task trainers, as well as leasing the associated training facilities located at 10 sites throughout the United Kingdom. Thales uses these assets and additional systems, including a Training Management Information System, to provide about 26,000 hours of training per year, which are charged to the client on a per sortie basis. A team of 79 Thales staff members, all whom are former RAF-qualified aircrew instructors, provide the flight instruction. Thales also offers training to third parties and shares these revenues with the U.K. MoD.

Military Training Technology

<http://www.military-training-technology.com/article.cfm?DocID=1724>

Private military companies (PMCs)

It was the confluence of several changes or shifts at the start of the 1990s that led to the rapid re-emergence of this defence industry. The first was political: the peace dividend that led to a massive downsizing of the armed forces. Since the end of the Cold War, more than 7 million servicemen have been thrown into the employment market with little to peddle but their fighting and military skills [3].

Downsizing fed both supply and demand as new threats emerged. The booming private military and security sector has soaked up part of this

manpower and expertise, which entails replacing soldiers wherever possible with much better paid civilians, who had often been trained at high expense by the state.

Private military companies (PMCs) have several common characteristics. Contractors are profit-driven organizations that provide professional military services for a global market. PMCs perform services closely related to the conduct of war that are the traditional responsibility of regular uniformed military personnel.

The most common service categories include logistical support, transportation, engineering, construction, skilled and unskilled laborers, maintenance, technical expertise, etc.

Contractor support was crucial to Operation DESERT STORM in 1991, although few contractor employees deployed to forward combat areas. For the most part, US contractors provided maintenance, supply, and transportation services. Foreign contractors worked primarily in transportation services as providers of trucks, buses, and drivers (86 percent of the total) [4]. The role of contractors in Operation ENDURING FREEDOM (OEF) and Operation IRAQI FREEDOM (OIF) is a significant departure from past experience, even from the recent past of Operation DESERT STORM. A recent study of 2.2 million contracts from 1998 to 2003 indicated that DOD spent half of their budget on private contractors [4].

Conclusion

Instead growing cooperation, states and private security institutions and organizations have strengths and weaknesses that must be considered to form realistic expectations of what each can bring to partnerships.

It means that private security organizations:

- still don't have appropriate regulations, standards and certifications,
- process of recruiting, selection and retraining are not standardized, which sometimes could allow to employ a person without adequate skills,

At the same time:

- private sector has more flexibility and that firms could employ needed number of employees and they are able to protect small geographic areas with large numbers of people
- private organization could develop and implement specialized ways and means of protections such as computer networks, chemicals plants, health care, financial institutions etc.,

On the other hand public security organizations and institutions:

- still have more power than private security organizations,
- selection processes are vigorous and include background investigation,
- during training period candidates receive all the necessary information and develop required skills,
- the working period of employees in public security institutions is longer and they usually establish good connection and trust with local citizens, which is very useful in terms of getting and exchanging information,

But:

- in time of cutting public spending and tight budgets the most important limitations of public security organizations are the lack of the financial resources,
- in public sector response time could lag and ability for changes are smaller than in private sector

The development of the contemporary security system and cooperation among all states and private security organizations and institutions make that differences are less significant and characteristics become similar. It is not unusual that government security employees start a second career in private security, even offer their skills in private sector to supplement their incomes. Unfortunately the process of blurred line between public and private security organizations brings a lot of problems and dangers. Hence, it is extremely important to properly define, legally regulate and state control that process.

References

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