The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Blackwater.ru: The Future of Russian Private Military Companies

By Alexey Eremenko

November 12, 2014



Private military and security companies are legal businesses whose main areas of expertise include logistical support, mine clearance, protection and training, not shooting dictators or their enemies.

In Soviet times, Russian military professionals worked across the globe from Cuba to Vietnam, teaching, advising and sometimes just pointing Kalashnikov muzzles at the enemy for the sake of the proletariat.

Now Russian authorities want them to do so again, but this time, for profit — and, just possibly, as a governmental proxy.

A bill filed with the State Duma late last month would legalize private military and security companies (PMSCs) in Russia, an idea endorsed in 2012 by President Vladimir Putin.

Enthusiasts say it is high time that Russia, with its strong military traditions, get a toehold on the global PMSC market, estimated at up to $350 billion last year, according to the bill.

The market is currently dominated by Western companies, and many developing nations would welcome PMSCs with different geopolitical affiliations, said analyst Ivan Konovalov, who last year co-penned a Russian-language monograph on PMSCs in Russia and around the world.

"But it will take a lot of effort to edge out existing players," said Konovalov, who heads a for-profit think tank called the Center for Strategic Trends Studies in Moscow.

Russian security services are also ambivalent, despite Putin's endorsement, as they are unwilling to relinquish a monopoly on legal violence and are fearful of unleashing what may well become an unchecked mercenary force, analysts told The Moscow Times.

And even the potential PR gains from using PMSCs instead of army troops in sensitive situations — like in Ukraine — are less than can be expected if those companies can be traced back to the Kremlin, said military analyst Alexander Golts.

FSB Park Rangers

The new bill seeks to allow Russian PMSCs to perform military consulting, protection services and mine clearance, and, best of all, facilitate "the alternative settlement of armed conflicts outside Russia."

The PMSCs will be allowed to use firearms but not heavy military equipment, according to the draft law, available on the Duma's website.

The bill's author, A Just Russia lawmaker Gennady Nosovko, denied that the current phrasing could amount to a mandate on all-out mercenary activity.

The PMSCs will be kept from excessive violence by the Federal Security Service (FSB), a successor agency to the KGB, which will license and monitor them, Nosovko said.

"The difference between contractors and mercenaries is like that between a park ranger and a poacher," he told The Moscow Times in a recent telephone interview.

But neither the FSB nor the Defense Ministry has so far weighed in on the bill, though Nosovko claims that officials have in private conversations endorsed the proposal.

Thin Red Line

Mercenarism, a millennia-old practice, resurged in Africa and Latin America in the last decades of the 20th century, when authoritarian regimes and insurgencies relied on highly skilled foreign professionals to suppress dissent or overthrow unwanted governments.

But mercenarism, defined by the UN as civilians being recruited to fight for profit in a country or conflict to which they have no formal ties, is illegal in most countries.

Private military and security companies, meanwhile, are legal businesses whose main areas of expertise include logistical support, mine clearance, protection and training, not shooting dictators or their enemies.

Unlike the mercenaries of the past, PMSCs rarely have access to heavy equipment such as tanks, artillery or fighter jets, though armored personnel vehicles are usually permitted.

But there is still a big difference between a PMSC employee and a mercenary, said Alexander Nikitin, a security expert with the Moscow State Institute of International Relations (MGIMO).

"Any involvement of a PMSC in open armed combat means crossing a red line and qualifying as a mercenary under the UN convention," said Nikitin, who was a member of the UN's working group on the use of mercenaries for six years. He added that very careful legislative work is needed to give PMSCs enough space to act without exceeding their authority and becoming de-facto mercenaries.

PMSCs rose to prominence during the 2000s, largely due to their extensive use in U.S. campaigns in Afghanistan and Iraq. The once notorious American PMSC Blackwater, now rechristened Academi, made more than $1 billion on U.S. state contracts in 2007, compared with $700,000 in 2001, according to Forbes Russia.

The United States embraced PMSCs because their services, despite exorbitant staff salaries, are cheaper for the Pentagon than using regular soldiers, who are entitled to many state benefits, military analyst Golts said.

Supply and Demand

Russia is ripe for entering the PMSC market, given the surplus of retired military professionals from its 760,000-strong army, not counting the other 300,000 young men who complete obligatory national service every year, Golts said.

"We probably have more people who know how to handle a Kalashnikov than the U.S. does," he said.

One area where Russian PMSCs would be in certain demand is foreign projects by Russian transnational corporations such as Gazprom or RusAl, which currently employ Western PMSCs, said Konovalov of the Center for Strategic Trends Studies.

UN contracts for logistical and infrastructural support of UN peace operations are another bright prospect. Russia used to be the UN's second-biggest overall contractor for infrastructural support for such operations (even without PMSCs), though it has dropped out of the top 10 in recent years, said Nikitin of MGIMO.

Finally, there are nations with less than cordial relations with Western powers in need of PMSC services, lawmaker Nosovko said.

"There are African and Latin American countries, for example. They just don't have a market alternative at the moment, but we could provide one," he said.

Legalizing 'Polite Men?'

However, the real reason behind the renewed push for PMSCs in Russia may be the fallout from the Ukrainian civil war, experts said.

Russia annexed Ukraine's Crimea peninsula in March using masked army troops without insignia, nicknamed "polite men" or "little green men." Putin only admitted they were actually Russian troops after the annexation, having previously denied their presence in Crimea.

Russia has also been accused of deploying its soldiers to save the pro-Russian insurgency in eastern Ukraine from defeat in August and again this week. Moscow has never admitted to it, but reports persist, backed by a wealth of evidence suggesting the troops were either not informed about their deployment to a war zone or coerced into posing as retired volunteers.

The rumored deaths of Russian soldiers in an undeclared war was met at home with little enthusiasm, which made the Kremlin think again about PMSCs, Golts said.

Using PMSCs instead of regular troops in sensitive situations is a common enough practice throughout the world, he said.

But a proxy would not avert reputation damages for the Kremlin if the boots on the ground are seen as carrying out the government's will, Golts said.

Moreover, a new UN convention currently under discussion by member states would make countries that register and certify PMSCs responsible for their actions, said Nikitin, who worked on the draft.

"The convention may be three, four years in coming, but when it does, it will be a game-changer," he said.

He called Nosovko's bill "too simplistic" and said it first needs to be brought into compliance with existing international documents, including the International Code of Conduct for Private Security Service Providers and the UN's draft convention on PMSCs, the expert said.

Tough Competition

Jostling for a spot on the PMSC market also requires far more effort than simply passing a piece of legislation, experts said.

The market is dominated by companies based in Europe and North America, which account for a combined 75 percent of 703 companies that signed the International Code of Conduct for Private Security Service Providers, a voluntary set of guidelines for PMSCs.

The signees form a lobby group that can be expected to deploy their best lawyers to hinder Russian rivals' entry onto the market, Konovalov said.

Moreover, the fattest fees in the field are from U.S. state contracts, which Russian PMSCs are unlikely to win, he said.

Another obstacle could be attitude: Military service in Russia is widely seen as a civic duty rather than a well-paying job, which discourages for-profit military work, Golts said.

Nevertheless, there is clearly a wealth of candidates to supply such companies: The social

networking page for Antiterror, one of Russia's few existing PMSCs, spans pages and pages of almost identical requests for work. At least some commentators claim prior military experience.

Antiterror did not return a request for comment. But experts said Russia has a handful of active PMSCs operating in a gray legal zone and waiting to go fully legal.

"We'll have our own PMSC industry, it's inevitable," Konovalov said. "We'll just have to see how big it will grow once it is legalized."

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Original url:
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