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Private Military and Security Corporations in Civil Conflicts

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ABSTRACT

Many states have turned to PMSCs for help defeating rebels, yet we lack a broad understanding of the causes and outcomes of this choice. I build upon insights from principal-agent theory and utilize statistical analyses to explain when states delegate tasks to PMSCs during civil conflicts, and what conditions affect when PMSCs help states achieve victory. I also examine the Nigerian government's decision to hire the PMSC Specialized Tasks, Training, Equipment and Protection International (STTEP) in 2015, in order to identify factors that cause states fighting civil conflicts to hire PMSCs that my statistical analysis cannot detect. The results from both types of analyses suggest that the reasons states hire PMSCs vary depending on what types of tasks PMSCs perform, but factors associated with threat levels from rebels and state capacity appear to be the most important. In addition, the results suggest that working with PMSCs tends to delays state victory. Overall, my analyses suggest that states fighting civil conflicts tend to hire PMSCs after their own forces have shown that they cannot stand up to rebel forces, which is when PMSCs find it easiest to exploit states and prolong conflicts in pursuit of their own interests.

CHAPTER ONE

INTRODUCTION

For the past thirty years, states have increasingly outsourced military and security services to Private Military and Security Corporations (PMSCs) to help maintain order domestically and to advance their interests abroad. As the name suggests, PMSCs are private corporations, and while they often work for states, they are not under the direct or permanent control of any government or national military. Rather, they are independent actors with their own interests and capabilities that specialize in performing military and security related services for clients. The very existence of such actors, let alone the willingness of states to delegate authority over their military and security affairs to them, does not fit well with much of the conventional wisdom in International Relations regarding the fundamental interests of modern states.

According to this conventional wisdom, modern states are largely defined by the institution of state sovereignty, which is generally understood to have its roots in the Peace of Westphalia (Krasner 1988; 1993; 1995/96; Reus-Smit 1999; Ruggie 1983; 1993; Teschke 2003). European politics prior to the Thirty Years War are characterized as being defined by "crisscrossing relations between heterogeneous feudal actors capped by the hierarchical claims of the Empire and the Church" (Teschke 2003, 2). After the war, the Peace of Westphalia formally enshrined state sovereignty as the new organizing principle for European politics. The

principle of state sovereignty, "resting on the internal monopolization of the means of violence, translated into rulers' exclusive control of the instruments of foreign policy – the army, diplomacy, and treaty-making" (Teschke 2003, 3). Over time, sovereign states became the world's dominant political actors, largely because they managed to consolidate the global means of coercion under their control (Tilly 1985; 1990; Herbst 1990; Olson 1993). Eventually, their command over the world's military resources allowed states to establish themselves as the only actors with the legal right to use force.

While it is now common for International Relations scholars to argue that state sovereignty is eroding or that the state's status as the world's dominant political actor is slipping (Agnew 1994; Strange 1996; Ruggie 2004; Dingwerth and Pattberg 2006; Avant et al. 2010; Brenner 2017), that states seek to consolidate power and are defined by their formal monopoly over the legitimate use of force remains the conventional wisdom. Realism, the theory most associated with national security issues, still largely ignores non-state actors. Realists start from the assumptions that states are the fundamental actors in international politics and that they generally want to increase their share of the world's military capabilities (Morgenthau 1948; Waltz 1979; Mearsheimer 2001). Other International Relations theories pay more attention to non-state actors, but most still acknowledge the primacy of states, especially when it comes to military and security issues. As such, the idea that states would willingly outsource military and security services to private corporations contradicts the conventional wisdom regarding states' fundamental nature and interests. If modern states are defined by the fact that they seek to consolidate military power and assert their authority over other actors within their territory, why

would they ever delegate the right to use force to private corporations and allow them to manage aspects of their national security?

Yet states are indeed hiring PMSCs to assist with many of their military and security needs. This trend began in the early 1990s when western states needed a cost effective and politically safe way to manage post-Cold War conflicts (Kinsey 2006; Stranger 2009; Dunigan 2011; Kruck 2014; McFate 2014; Krahmann 2016). With the threat from communism and the Soviet Union gone, citizens in the west lost their appetite for sending troops to die in foreign wars. In order to continue to maintain a presence in much of the world, western states needed to find an alternative to putting their own forces in harm's way. In this environment, armed with weapons bought from ex-Soviet states and taking advantage of prevailing neoliberal norms, PMSCs emerged to satisfy demand. Powerful democracies like the U.S. and U.K. helped develop this new industry, relying heavily on PMSCs for security and logistical support in the Yugoslav Wars, Afghanistan, and Iraq.

Powerful states outside the west also use PMSCs. Russia hired security contractors to protect navy installations and assets in Crimea in 2014 (Rogin 2014), and worked with the Wagner Group to support the Syrian government in 2018 (Durso 2018). In China, corporations such as the Chinese Overseas Security Group, Control Risks, G4S, and Frontier Services Group work closely with the government to protect its economic interests in Africa, Latin America, and along the planned "Silk Road" (Catallo 2015; Goh et al. 2017). In the Middle East, a coalition of Arab states led by Saudi Arabia and the U.A.E. hired Erik Prince, the founder of Blackwater, to raise an 800-member battalion of foreign troops to fight Houthi forces in Yemen (Mazzetti and Hager 2011; 2015). Even Israel, which mandates that nearly all citizens serve time in the

military, allows corporations like Modi'in Ezrachi and Sheleg Lavan to man checkpoints in and around the West Bank (Deger 2016; Kennard and Lowenstein 2016).

Developing states also often hire PMSCs. Branović asserts that twenty-eight states that experienced state failure between 1990 and 2007 hired or worked with PMSCs during that period (Branović 2011). Neu and Avant found 1299 PMSC related events in Africa, Latin America, and Southeast Asia between 1990 and 2012 (Neu and Avant 2019). The newly formed government of Croatia hired the PMSC Military Professional Resources Inc. (MPRI) to train its army after suffering multiple defeats by the Serbian army and was so effective that the Bosnian government later hired them to train their own army after the signing of the Dayton Accords (Avant 2005; Singer 2008). The Colombian government works with American based PMSCs to help combat drug trafficking (Perret 2012; Eventon and Bewley-Taylor 2016). In 1997, the government of Papua New Guinea hired Sandline International to eliminate secessionist leaders on Bougainville Island. Africa in particular has proven to be a popular region for military and security outsourcing (Musah and Fayemi 2000; O'Brien 2000; Branović 2011; McFate 2014). The conflicts in Angola and Sierra Leone during the 1990s are notable because in both cases governments hired PMSCs to support, train, and even lead their troops into battle (Avant 2005; Kinsey 2006; Singer 2008; Dunigan 2011). In 2005, the new government in Liberia worked with the PMSC DynCorp to restructure and retrain its entire armed forces (McFate 2014). In 2015, the Nigerian government hired the PMSC Specialized Tasks, Training, Equipment and Protection International (STTEP) to train its army and offer logistical, intelligence, and at times combat support in its fight against Boko Haram (Freeman 2015).

Although no comprehensive dataset that tracks state utilization of PMSCs exists, the data and examples outlined above demonstrate that states all over the world, from western democracies, to powerful non-western states, to developing states are becoming comfortable with the practice of delegating authority over military and security services to private corporations both at home and abroad. In light of this trend, and given the conventional wisdom regarding states' interests, scholars need to answer two questions: (1) why do states hire PMSCs, and (2) does hiring PMSCs actually advance states' security interests? These two questions cannot be answered separately. If PMSCs generally help states advance their security interests, then this fact would go a long way toward explaining why states hire them. Alternatively, if PMSCs do not help states advance their security interests, or worse, create more security problems, other explanations need to be found. Moreover, the probability that PMSCs help or hurt states' security interests likely depends on the conditions under which they are hired. Thus, regardless of whether PMSCs can sometimes help states advance their security interests, scholars need to understand under what conditions states hire them to identify how these conditions affect PMSC performance.

While there has been some research done on both questions, most of it relies on anecdotal evidence or small-n comparative studies focused on supporting existing narratives about PMSCs, rather than testing relationships between PMSC activities and specific causes or outcomes. As such, the literature is still a long way from developing broad explanations for when states hire PMSCs, and whether PMSCs help states advance their security interests. In this study, I examine data from the Private Security Database, the Non-State Actor Data, and the Uppsala Conflict Data Program to determine whether PMSCs do indeed advance their client states' security

interests, whether they create new security problems for states, or whether outcomes vary depending on specific circumstances. In addition, I use these same data sources to uncover the logic behind why some states willingly permit private corporations to manage aspects of their security, while also looking specifically at the case of the Nigerian government's hiring of the PMSC STTEP in 2015. In doing so, I hope to reveal under what conditions PMSCs can be useful for states committed to good governance practices, when states should avoid working with PMSCs, and why some states work with PMSCs when doing so has the potential to make their security problems worse. Answers to these questions would have important policy implications for state leaders, as they would be better informed on whether hiring PMSCs would be helpful for them, and on how to best utilize PMSCs so that they do not end up making security problems worse. Through offering an analysis of these outcomes, I contribute a greater understanding of state's puzzling turn to PMSCs for help with security issues.

States Experiencing Civil Conflicts and PMSCs

Although this study may contain insights applicable to all states, I focus in particular on the use of PMSCs by states experiencing civil conflicts. I do so for three reasons. First, outsourcing military and security services has the potential to be more beneficial, but also more dangerous, for states experiencing civil conflicts than for stronger more secure states[1]. Strong states, "have superior monitoring and sanctioning capacity that should lead them to be in better position to control [PMSCs] than weaker states" (Avant 2005, 58). In addition, strong states generally have the resources to manage their own security, and rarely face immediate existential threats, allowing them to be more selective with when they hire PMSCs and what tasks they

[1] I consider states experiencing civil conflict to be inherently weak, because the very existence of armed rebels in a country demonstrates that the state is not capable of maintaining its sovereign authority.

allow them to perform. As such, it is easier to see why a strong secure state might delegate some tasks to PMSCs when their core interests are not as stake. In contrast, weak states, "both have more to gain from privatization and run the highest risks from it" (Avant 2005, 59). Hiring PMSCs can greatly enhance a weak state's military capabilities, which could be the difference between it preserving its existence or facing collapse. Yet PMSCs may themselves be too powerful for weak states to control, and end up ignoring or even challenging state authority. Having to deal with an ongoing civil conflict increases these risks. Since civil conflicts tend to lower economic output, states fighting them will find it more difficult to pay PMSCs and fund institutions meant to hold them accountable. Moreover, if states hire PMSCs to operate in or near conflicts zones where their authority is already limited, they will likely not be able to effectively monitor PMSC activity. As such, studying relationships between PMSCs and states experiencing civil conflicts makes it easier to see the tension between arguments for why states might sacrifice autonomy over their national security to private corporations, and arguments for why states should not take that risk.

In addition, states experiencing civil conflicts provide clear indicators for whether PMSCs do or do not help states advance their security interests. It can be difficult to determine what strong secure states hope to get out of their involvement in foreign conflicts, making it hard to determine whether PMSCs help or hurt their interests. It is also difficult to determine whether hiring PMSCs to help with domestic security makes states more secure when there is not an ongoing civil conflict. But it is safe to assume that states experiencing civil conflicts have a clear interest in achieving victory over rebels. Thus, focusing on states experiencing civil conflicts allows me to use likelihood of state victory as a clear outcome for hypothesis testing.

Lastly, and perhaps most importantly, I focus on states experiencing civil conflicts because research that can reveal whether PMSCs help make such states more secure, and why the states that have the most to lose from military and security outsourcing engage in it anyway, have important and immediate implications. If hiring PMSCs generally helps states defeat rebel groups and restore stability to their country, then hiring PMSCs should be encouraged when governments are committed to good governance practices. If PMSCs are more likely to help states win civil conflicts under certain conditions, then those conditions need to be identified. If PMSCs tend to extend conflicts, then their use needs to be discouraged, and our understanding of why states hire them in the first place needs to be developed.

Regarding this final point, existing research on why states hire PMSCs has limited applicability to states experiencing civil conflicts, as it focuses either on states' desire to carry out cost-effective military operations while avoiding public backlash, or the strength of neoliberal norms in a country. These theories were developed to explain why liberal democracies hire PMSCs, but since states experiencing civil conflicts are usually poorer, often lack strong democratic institutions, and face more immediate security threats than liberal democracies generally face, such theories likely have limited explanatory power when it comes to why they hire PMSCs. As such, more attention needs to be given to the reasons for why states experiencing civil conflicts hire PMSCs. If states experiencing civil conflicts stand to both gain and lose the most from military and security outsourcing, our theories for why states hire PMSCs ought to be applicable to them.

Principal-Agent Models and PMSCs

To answer my two questions—what factors influence when states experiencing civil conflicts decide to work with PMSCs, and when do PMSCs help states win civil conflicts—I utilize and build upon insights from the literature on principal-agent theory. The principal-agent literature explores what factors cause some actors (principals) to delegate authority over specific issues to other actors (agents), and what factors motivate and permit agents to either work diligently, slack off, or deliberately work against their principal's interests. Slacking off or working against a principal's interests is called shirking. In the context of states experiencing civil conflicts working with PMSCs, shirking is anything PMSCs do (or don't do) that works against the interests of the client state, such as not working as hard as they could or making secret deals with rebels for access to natural resources. If PMSCs never shirked, then they would simply add to the military capabilities of their client state, increasing their client's chances of winning the conflict. Yet, PMSCs often do shirk, so whether they help states win civil conflicts depends a great deal upon whether they can get away with a significant degree of shirking.

The principal-agent literature emphasizes two factors that motivate and allow agents to shirk: information asymmetries and differences in interests. When principals are less capable of knowing or understanding what agents do, it is harder for them to determine whether agents are acting against their interests. As such, when information asymmetries are less extreme due to client states having the capabilities to better monitor PMSCs, I expect PMSCs to put more effort into helping states win civil conflicts. Regarding differences in interests, when working harder or accepting more risk to satisfy their principal's interests comes at the expense of satisfying their own, agents are more likely to shirk. As such, when client states can structure incentives in ways

that harmonize the interests of PMSCs with their own, PMSCs should be more likely to work hard to help states win civil conflicts.

However, since principal-agent models were primarily developed to study economic and political relationships in developed countries, there tends to be an underlying assumption in the literature that principals always have the capabilities to punish agents when they are caught shirking, either on their own or by appealing to a more powerful authority. This assumption cannot be made when applying principal-agent models to states experiencing civil conflicts working with PMSCs. If such states lack the capabilities to prevent rebellions and defeat rebel groups on their own, how can they be expected to punish professional military and security corporations if they decide not to follow orders? States experiencing civil conflicts also lack a higher political authority to appeal to for help enforcing the terms of a contract if problems develop in their relationships with PMSCs. These problems are compounded by the fact that, knowing the risks that come with military and security outsourcing, states experiencing civil conflicts may only hire PMSCs when they are very weak, and are thus willing to allow actors into their country that they cannot control in a desperate attempt to survive.

I argue that even if reducing information asymmetries and differences in interests between client states and PMSCs increase the likelihood that PMSCs will work hard to help states win civil conflicts, it is likely that working with PMSCs will generally delay state victory because states experiencing civil conflicts do not have capabilities to punish their agents that most principals are assumed to have. Without being able to credibly threaten punishment, the ability of states to detect shirking will not be enough of a deterrent to prevent PMSCs from pursuing their own interests at the expense of their client's. Thus, I expect that: ***states***

experiencing civil conflicts will tend to work with PMSCs when they are particularly weak and vulnerable, which allows PMSCs to get away with shirking, in turn prolonging conflicts by preventing state victory.

Plan of this Dissertation

This study proceeds as follows. In Chapter Two, I outline the existing literature on PMSCs and their relationship with states experiencing civil conflicts, explaining how it has not sufficiently answered which factors influence when states experiencing civil conflicts work with PMSCs, or when PMSCs help states win civil conflicts. In Chapter Three, I outline the main arguments in the principal-agent literature, explaining the conditions under which agents are more or less likely to work against the interests of their principals, and how the existing literature on principal-agent models fails to account for principals that lack the capabilities to punish their agents. I then develop several hypotheses regarding what factors influence when states experiencing civil conflicts work with PMSCs, and when PMSCs help states win civil conflicts. In Chapter Four, I outline the sources and structure of my data, as well as my methodology for my statistical analyses. In Chapter Five, I use logistic regression to test what factors correlate with states working with PMSCs during civil conflicts, and competing risks hazard models to test whether states working with PMSCs under various conditions affects the risk of state victory in civil conflicts. In Chapter Six, I add to the insights from Chapter Five by conducting a case study on the Nigerian government's decision to hire the PMSC STTEP in 2015. This case study is meant to test the existing theories for PMSC hiring against a specific case, as well as identify factors that cause states fighting civil conflicts to hire PMSCs that my statistical analysis might miss due to it relying on relatively broad sets of indicators. In Chapter Seven, I conclude my

dissertation by summarizing whether my hypotheses were supported by my results, explaining how I interpret my results, and discussing the implications my results have for scholars and policymakers. The results from both my statistical analyses and case study suggest that factors associated with threat levels from rebels and state capacity have the greatest impact on whether states work with PMSCs, and that working with PMSCs tends to delay state victory.

CHAPTER TWO

DEFINING AND UNDERSTANDING PMSCs

The practice of hiring foreign soldier to fight in a war is not new. Mercenaries, auxiliaries, pirates, foreign fighters, militias, criminal enterprises, and terrorist organizations all predate the emergence of PMSCs on the world's battlefields. Many of these actors operated in the decades before PMSCs emerged and continue to operate today. Thus, in order to identify when PMSCs are present in civil conflicts and what effects they have on how states manage civil conflicts, I must first identify how they differ from other military and security actors. Without a clear set of criteria for identifying PMSCs, I will have trouble distinguishing them from other mercenary-like actors commonly active in civil conflicts, and I will lack a foundation for theories related to what PMSCs want and what factors influence their behavior.

Unfortunately, the literature does not offer a common definition for PMSCs. As stated by Carmola, PMSCs are, "ambiguous or polymorphous entities – a mix of old and new, public and private; slippery, and hard to pin down analytically" (Carmola 2010, 9). McFate affirms that observers struggle to define PMSCs, stating that, "despite the glut of attention lavished on this topic in recent years, there is still no common definition, typology, or understanding of who exactly is a member of the industry" (McFate 2014, 10). Much of the confusion over how to define PMSCs comes from the fact that observers cannot agree on what to call them. The label PMSC came into use because observers often cannot distinguish private *military* corporations

from private *security* corporations. McFate, however, argues that the acronym is a catchall label, and that by itself "such an all-encompassing category is not analytically meaningful" (McFate 2014, 11). Yet, trying to settle on more precise labels presents challenges. Debate over the appropriateness of different labels often has less to do with providing clarity, and more to do with pushing competing narratives. Critics will use the term mercenary due to its association with concepts like greed, lawlessness, and violence (Musah and Fayemi 2000; Percy 2007; Singer 2008; Carmola 2010; McFate 2014). The U.S. government prefers to call the groups it hires private security companies. The PMSC lobbyist group International Stability Operations Association (ISOA) avoids using the words mercenary, military, or security altogether, preferring to use more marketable terms like contingency contractors or members of the stability sector. Since these competing labels all contain different connotations, yet describe many of the same actors, they sow confusion over exactly what these actors are and the roles they play.

Complicating matters further, scholars disagree over the range of tasks that PMSCs perform. Singer defines private military firms as "private business entities that deliver to consumers a wide spectrum of military and security services, once generally assumed to be exclusively inside the public context" (Singer 2008, 9). This definition includes corporations that perform nonlethal tasks, such as vehicle maintenance or medical support. McFate disagrees with Singer's broad definition, arguing that corporations that strictly offer logistical, maintenance, and medical support are not members of the private military or security industry, "as they perform nonlethal tasks that are not uniquely military or security-related in nature" (McFate 2014, 15). This debate over whether firms that perform nonlethal tasks are military actors has led to the development of a number of competing labels and definitions used to describe the same actors.

As such, if one wants to study the causes and outcomes of states working with PMSCs, the need for standard criteria for identifying PMSCs is clear. In the following section, I develop a set of criteria that both differentiates PMSCs from other military and security actors and is useful for developing theories regarding how PMSCs can be expected to behave under different conditions. I then move to discussing the existing set of theories on why states hire PMSCs, and whether PMSCs help states advance their security interests. I conclude this chapter by summarizing the gaps in these literatures and discussing how my research furthers our understanding of the role of PMSCs in civil conflicts.

What Are PMSCs?

Are PMSCs Mercenaries?

Debates over how to define PMSCs often start with the issue of whether they should simply be labeled as mercenaries. Many observers do not find much meaningful distinction between PMSCs and mercenaries (Arnold 1999; Musah and Fayemi 2000; Musah 2002; Leander 2002). These scholars assert that PMSCs "are merely modern versions of the age-old mercenary fighter, a throwback to the day of mercenaries and pirates, private actors wielding deadly force as proxies for governments and corporations" (Carmola 2010, 12). Given the ease with which observers can apply this more familiar concept, it is tempting to simply call PMSCs modern mercenaries and move on. Yet labeling PMSCs as mercenaries merely replaces one poorly understood concept with another.

Accounts of the battle of Kadesh in 1294 B.C.E, the oldest battle that we have detailed accounts of, mention the presence of Numidian mercenaries in the army of Pharaoh Ramses II. Mercenaries were the dominant military actors in Europe during the medieval period (Mockler

1969). Throughout the Thirty Years War, "by and large, the military forces of every country consisted of mercenaries" (Howard, 1976, 29). In the twentieth century, corporations with ties to former colonial powers hired ex-soldiers from western militaries to act as mercenaries in the African wars of decolonialization (Musah and Fayemi 2000). Precisely what these actors all have in common is not always clear, since they existed in different historical periods, performed different tasks, and had different relationships with the governments of their era. This makes it difficult to settle on a definition for mercenaryism that is applicable across history.

Definitions developed by the Third and Fourth Geneva Conventions are also too vague and difficult to apply in the real world. Article 47 of Protocol I Additional to the Geneva Conventions defines mercenaries according to the following criteria:

> A mercenary is any person who:
>
> a. is especially recruited locally or abroad in order to fight in an armed conflict;
> b. does, in fact, take direct part in the hostilities;
> c. is motivated to take part in the hostilities essentially by the desire for private gain and, in fact, is promised, by or on behalf of a Party to the conflict, material compensation substantially in excess of that promised or paid to combatants of similar rank and functions in the armed forces of that Party;
> d. is neither a national of a Party to the conflict nor a resident of territory controlled by a Party to the conflict;
> e. is not a member of the armed forces of a Party to the conflict; and
> f. has not been sent by a State which is not a Party to the conflict on official duty as a member of its armed forces. (1125 UNTS 3)

The problem with these criteria is that they are so restrictive that few individuals or organizations qualify as mercenaries. They exclude all non-combatants, non-foreigners, soldiers and citizens that work for other states, and those who are not promised material compensation substantially in excess to that paid to local national soldiers. As Best famously stated, "any mercenary who cannot exclude himself from this definition deserves to be shot—and his lawyer with him" (Best 1980, 375).

Scholars have tried to narrow down what it means to be a mercenary. Mockler argues that "the real mark of a mercenary [is] a devotion to war for its own sake" (Mockler 1969, 21). Thompson (1994) refutes Mockler's definition, arguing that an individual's motives for being a mercenary are impossible to determine. Rather, she argues that mercenaryism "is the practice of enlisting in and recruiting for a foreign army" (Thompson 1994, 27). Hampson goes back to focusing on motives, arguing that mercenaries are motivated to fight by the prospect of financial gain (Hampson 1991, 5-6). Musah and Fayemi combine aspects of Thompson and Hampson's definitions, arguing that mercenaryism is "the practice of foreign professional soldiers freelancing their labor and skills to a party in a conflict for fees higher and above those of soldiers of the state in conflict" (Musah and Fayemi 2000, 5).

Percy (2007) finds several faults in these competing definitions. She argues that in order to label someone as a foreigner, there must be clearly defined cultural or territorial lines that divide peoples into distinct nations. Yet in some historical periods, such as medieval Europe, clearly defined nations did not exist. Thus, "the notion of nationality narrows the definition of mercenaries to a time period in which the idea of nationhood makes sense, and thereby excludes many fighters considered by their contemporaries to be mercenaries, especially before the nineteenth century" (Percy 2007, 52). In addition, defining mercenaries by their foreign status risks labeling actors like UN peacekeepers or foreign terrorist fighters as mercenaries, when most observers do not think of them as such.

Being financially motivated also does not necessarily make someone a mercenary. Throughout history, national militaries have advertised themselves as attractive career paths that come with competitive pay and benefits. Many people enlist in national militaries in order to take

advantage of these benefits and ensure that they have a stable income (Pung et al. 2008). Soldiers can also be motivated to join national militaries to take advantage of opportunities for looting. Some governments form entire units for the purpose of financial gain. The German state of Hesse-Kessel, "was almost completely subsidized by the contracts its army had with the Netherlands, Venice, and England" (Singer 2008, 33). In addition, "developing countries often provide peacekeepers to the UN specifically to generate revenues for the state, and create jobs for individuals" (Percy 2007, 53). Thus, claiming that all foreign and financially motivated combatants are mercenaries is problematic, since foreign combatants are not always mercenaries, and national soldiers are often motivated by the prospect of financial gain.

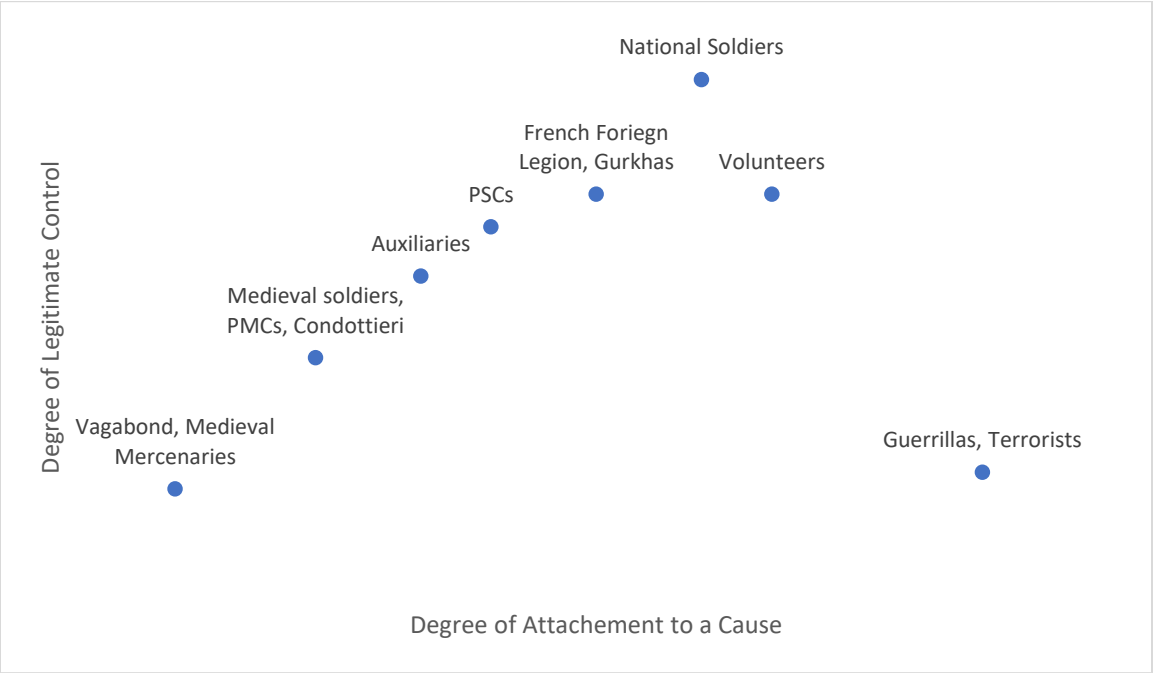
Instead of defining mercenaries as financially motivated foreign combatants, Percy argues that, "mercenaries should be defined by the extent to which they are motivated to fight for a cause" (Percy 2007, 54). She asserts that, "the idea of a 'cause' encapsulates both the idea that mercenaries are external to a conflict and that they fight for financial gain, and furthermore recognizes that foreigners can fight without being considered mercenaries as long as they have a cause for their actions" (Percy 2007, 54). Causes can be ideological, religious, cultural, or political, just so long as a combatant has some justification for fighting other than or in addition to financial gain. In adding a lack of cause to the definition of mercenaries, Percy adds a normative dimension to the distinction between national soldiers and mercenaries. Soldiers fight for something higher than themselves, while mercenaries do not.

Percy also adds a second normative dimension to the distinction between national soldiers and mercenaries. National soldiers operate under the permanent control of legitimate political authorities that have the right to wage war. A mercenary is an "independent private

contractor selling his services or the services of a company he commands" (Percy 2007, 57). This distinction between independent fighters and those under the permanent command of a legitimate political authority is useful because it reinforces the idea that mercenaries fight without a higher cause, and because it excludes some types of foreign combatants that are not usually considered mercenaries. For example, even if UN peacekeepers are foreigners operating in conflicts that do not directly involve their home states, they are still bound by the laws of their governments, as well as those of the international community, and exist within official national military hierarchies. This distinction is also useful because it aligns with the idea that mercenaries are outsiders, without specifically requiring that they be foreigners.

Percy uses these criteria to create of a spectrum of private violence. This spectrum varies along the two dimensions of her definition of mercenaryism: the degree to which actors are motivated by a cause; and the degree to which actors operate under the control of a legitimate political authority. I have recreated this spectrum in Figure 1 from Percy's original (Percy 2007, 59).

Figure 1. Percy's Spectrum of Private Violence



Percy's criteria for identifying mercenary-like actors is useful because it establishes a spectrum of private violence, which eliminates the need to rely on strict criteria for classifying violent actors. Instead, actors exist between idealized types, allowing them to be identified as having stronger or weaker mercenary-like qualities. In addition, the spectrum varies along the two dimensions that most observers believe separates mercenaries from regular soldiers: the degree to which they are motivated by a higher cause instead of financial gain; and the degree to which they are outside actors that operate independently of any established and legitimate political authority.

With Percy's criteria for mercenaryism, we can see that labeling PMSCs as mercenaries does not go very far towards identifying what makes them different from other military and security actors or what their fundamental interests are. As private actors, PMSCs exist outside the permanent authority of national military hierarchies, and as corporations, they are motivated

by financial gain, but there are many other actors on Percy's spectrum that also have these traits. As such, it may be fair to describe PMSCs as mercenary-like actors, but other factors need to be included in order to distinguish PMSCs from other types of mercenaries.

The Unique Qualities of PMSCs

The conditions under which PMSCs first emerged reveals qualities that distinguish them from other mercenary-like actors. Scholars typically explain the emergence of the PMSC industry by pointing to changes brought about by the collapse of the Soviet Union and the end of the Cold War (Kinsey 2006; Singer 2008; Kruck 2014; McFate 2014). The bi-polar power structure of the Cold War motivated the superpowers to maintain large national militaries and enforce stability amongst their regional allies. But with the collapse of the Soviet Union, the U.S. and its allies shrank their defense budgets and disengaged from much of the world. This sudden withdrawal of both superpowers had a destabilizing effect in many regions, leading to an outbreak in interstate conflicts that the U.S. and its allies were not interested in managing. Conventional military forces were not well suited for these conflicts, as they typically did not involve directly confronting other conventional military units but instead involved fighting guerilla forces in remote or civilian areas. Training a new generation of more qualified military personnel would be expensive, as fighting irregular conflicts requires soldiers to possess a wide variety of specialized technological and operational skills. Additionally, with the threat of Soviet aggression gone, citizens in Europe and North America had lost their appetite for sending troops to die in foreign wars. These factors created a demand for actors who could relieve western governments of some of the financial and political burdens associated with managing post-Cold War conflicts.

While most existing mercenary-like actors at the time could not satisfy this demand because of the existing stigma attached to mercenaries, PMSCs were able to openly work for western states because they fit within a neoliberal worldview. Due to the popularity of Ronald Reagan and Margaret Thatcher's economic policies during the 1980s, as well as the collapse of the world's largest command style economy, neoliberal norms were quickly spreading across the world and legitimizing the idea that private actors could perform many tasks better than governments. As legally registered corporations, PMSCs qualified as members of the private sector. PMSCs "are hierarchically organized into registered businesses that trade and compete openly (for the most part) and are vertically integrated into the wider global marketplace" (Singer 2008, 45). Dunigan affirms this characterization, stating, "[PMSC] personnel are by definition backed by a corporate infrastructure designed to select, train, and deploy them" (Dunigan 2011, 17). Thus, western governments fueled the growth of the PMSC industry after the end of the Cold War because they needed a legitimate and cost-effective means to manage post-Cold War conflicts that would avoid the risks of high causalities among national troops, and neoliberal economic norms encouraged outsourcing government services to private actors. As such, the most important difference between PMSCs and other mercenary-like actors is that they are legal corporations.

A number of unique qualities follow from PMSCs being legal corporations, the first being that they have long-term interests in generating profits. Almost by definition, corporations are interested in portraying themselves as reliable and effective actors within a market in order attract clients and generate long-term profits for their owners and shareholders (Dunigan 2011, 17-19; Krahmann 2010, 7). Other mercenary-like actors are not as focused on long-term profits.

Foreign auxiliary units such as the Numidian's in the army of Ramses the II or the German Hessians were preexisting military units. Unlike PMSCs, these mercenaries would have had some inherent degree of loyalty to specific political or social groups that could conflict with their pursuit of profits. Other mercenary-like actors do not have long-term interests at all. The armed bands that roamed Europe during the medieval period or participated in the African wars of decolonialization were little more than ad-hoc groups of ex-soldiers. As such, they did not have any formal organizational structure or long-term interests. Thus, being interested in surviving as corporations and generating long-term profits sets PMSCs apart from many other types of mercenaries.

Another quality that sets PMSCs apart from other mercenaries is that, as corporations operating in the late twentieth and early twenty-first century, they operate within relatively powerful regulatory systems. Some mercenaries, such as the medieval free companies, medieval military entrepreneurs, and the nineteenth century European trading companies share PMSCs' corporate nature. They worked to establish themselves within their respective markets and had interests in surviving in order to generate long-term profits. What sets these mercenaries apart from PMSCs is that they worked for relatively weak and underdeveloped states. The states medieval and early modern mercenaries worked for often lacked the administrative and fiscal institutions necessary to raise their own armies and collect taxes, let alone regulate private militaries. In contrast, PMSCs are primarily headquartered in and often work for powerful developed states with well-developed legal systems, like the U.S. and the U.K. (Dunigan 2011, 18). In such states, corporations need to register with the government and provide information regarding their corporate structure, employees, labor practices, company policies, finances, and

contracts (Zarate 1998, 115). In addition, during the twentieth century, norms against the use of mercenaries were enshrined into international law (Percy 2007, 169). Several UN General Assembly and Security Council resolutions proscribe and condemn the use of mercenaries. The Organization of African Unity (OAU) had a convention that came into force in 1985 calling for the elimination of mercenaries in Africa. Article 47 of Protocol I additional to the Geneva Conventions, created in 1977, asserts that mercenaries do not have the right to act as combatants. Using the definition of mercenary from Article 47, in 1979 the UN even established the United Nations International Convention against the Recruitment, Use, Financing, and Training of Mercenaries. These international legal frameworks can and have been used to prosecute and regulate PMSCs, and reflect the existence of powerful norms against the hiring of mercenaries and mercenary-like actors. In some states, PMSCs have even developed voluntary regulatory systems for themselves (Dunigan 2011, 18). In the U.S., the trade association International Stability Operations Association has developed a code of conduct for all its members, an open system where anyone can register a complaint against a member, and a Standards Committee in charge of investigating such complaints. PMSCs found to be in violation of these standards have their membership revoked. The British Association of Private Security Companies monitors its members in similar ways. Being integrated in such regulatory systems means that it is relatively difficult for PMSCs to challenge state authority without the risk of their reputations suffering, losing clients, having legal charges brought against them, and possibly being convicted. Earlier mercenaries never existed in such well-developed and far-reaching regulatory systems.

Another factor that separates PMSCs from other mercenaries is the fact that most are not strictly military or security actors. PMSCs offer a wide variety of services, most of which are not

directly related to combat. Some corporations, such as Kellogg Brown and Root, focus on the procurement, maintenance, and transportation of military equipment, facilities, and personnel, and do not provide combat services at all (Singer 2008, 136-137). As mentioned above, there is debate over whether these types of corporations are part of the PMSC industry (Singer 2008; McFate 2014). Yet some PMSCs offer both lethal and non-lethal services. Blackwater (renamed Xe Services LLC in 2009 and Academi in 2010), has provided services that range from fighting Houthi rebels in Yemen, to providing diplomatic security for the U.S. government in Iraq, to assisting in relief efforts after Hurricane Katrina. In addition, many PMSCs do not exist as independent organizations. Rather, they are subsidiaries or partners of larger corporate conglomerates. Until 2007, Kellogg Brown and Root was a subsidiary of the Halliburton corporation, a transnational corporation that primarily provides technical support for the oil and gas industry. The PMSCs Executive Outcomes, Lifegaurd, Teleservices, and Saracen were all subsidiaries of the South African holding company Strategic Resources Corporation, which had strong corporate ties to the mining company Branch-Heritage group, which in turn owned the PMSCs Sandline International and Ibis Air Air (Singer 2008, 104-105). Academi is now a subsidiary of Constellis Holdings, which also owns a number of other PMSCs such as Triple Canopy, Constellis Ltd., Strategic Social, Tidewater Global Services, National Strategic Protective Services, and International Development Solutions.

As such, while PMSCs are financially motivated and do not exist under the permanent control of any legitimate government, they differ from past mercenaries in four important ways: (1) Unlike more ad-hoc mercenary groups, PMSCs are corporations with an interest in surviving as organizations and generating long-term profits; (2) As legally registered corporations

operating in the late twentieth and early twenty-first century, they exist within a relatively powerful and well-developed regulatory systems that provide strong incentives to obey laws set by states; (3) Most PMSCs are not one-dimensional organizations, but rather, offer clients a wide variety of both lethal and non-lethal services; (4) Most PMSCs exist as part of a network of corporate conglomerates that deal in both combat and non-combat related industries.

PMSCs Defined

I can now put forward a set of criteria useful for identifying PMSCs based on several common themes found throughout the literature. PMSCs represent a uniquely corporate kind of mercenary, with interests in surviving as legally operating organizations in order to generate long-term profits. In addition, due to the strength of modern states and the development of both domestic and international law, PMSCs exist within numerous overlapping regulatory systems that together are more powerful than any regulatory system that ever existed for mercenaries in the past. Such regulatory systems pressure PMSCs to subordinate themselves to states to a degree that earlier mercenaries did not experience. PMSCs are also notable because most are not narrowly focused on providing combat services. Rather, they are partners and subsidiaries of larger corporate conglomerates that offer a wide range of military and security services, as well as services unrelated to the provision of national security. Therefore, PMSCs can be fairly characterized as ***legally registered corporate actors that perform or support military and security operations, broadly defined, for clients***. Based on these criteria, I expect PMSCs to prioritize protecting their reputations as efficient and lawful military and security providers in order to ensure that they continue to attract clients and avoid facing pressure to dissolve from states or higher corporate authorities.

PMSC Typologies

Given the range of tasks that PMSCs can perform, scholars have developed various classification schemes for them. Most classify PMSCs based on the services they offer or perform. Some observers divide PMSCs based on whether they are "passive" or "active" (Spicer 1999; Obrien 2000; Brooks 2000). Active PMSCs perform combat operations and take territory, while passive PMSCs provide training, logistical support, and sometimes defend territory. The U.S. Department of Defense divides PMSCs based on whether they are armed or unarmed. Others divide PMSCs based on whether they are military corporations or security corporations. What these typologies have in common is that they are dichotomous, and combat related activities are thought of as core military functions while activities less related to combat are considered peripheral functions.

The problem with using these strict dichotomous typologies is that not all tasks can be neatly categorized as either combat or non-combat oriented. For example, PMSCs like Armorgroup and Southern Cross focus on creating security islands around their client's assets in conflict zones (Singer 2008, 89). At first, this task seems defensive in nature, as it does not focus on seeking out and engaging combatants. However, in order create security islands, these firms will often enter areas under hostile control and use military tactics and equipment to clear insurgents out. Some assets, such as mineral deposits or oil wells, act as the primary source of funding for insurgent groups. In such cases, clearing insurgents away from these assets highly resembles an offensive military operation. There is also disagreement over what exactly a core military task is. Some PMSC personnel may not carry guns or exchange fire with their client's enemies, but they do pilot drones and launch missiles. Are such personnel armed combatants?

Other PMSCs focus on transporting troops, equipment, food, and other essential supplies into and around conflict zones. While personnel working for these PMSCs are often unarmed and do not seek out enemy combatants, modern militaries could not function without the services they provide. Does that mean that such PMSCs carry out core military functions? Scholars who use strict dichotomous typologies rarely provide answers to such questions.

As Carmola states, "it is perhaps preferable to consider such tasks along a continuum, rather than in two divided categories" (Carmola 2010, 25). This is what Singer does with his "tip-of-the-spear" typology. Singer escapes the problem of having to determine what tasks are inherently more or less combat oriented by classifying PMSCs by their physical proximity to the frontlines. Singer asserts that, "traditionally, units within the armed forces are distinguished by their closeness to the actual fighting" (Singer 2008, 91). Units that operate on the front lines operate closer to the tip of the spear, while units that serve with command or offer logistical support exist further down the spear. Singer argues that the tip-of-the-spear typology mimics how most corporations classify outside partner organizations. Some are core service providers, some are consultation firms, and some offer non-core services. As such, Singer argues that the PMSC industry is divided into three groups: military provider firms, military consultant firms, and military support firms (Singer 2008, 91). Military provider firms "provide services at the forefront of the battlespace, by engaging in actual fighting, either as line units or specialists (for example, combat pilots) and/or direct command or control of field units" (Singer 2008, 92). Military consulting firms "offer strategic, operational, and/or organizational analysis" but they do not operate within the battlespace itself or engage in direct combat (Singer 2008, 95). Rather, they tend to exist within the command structure and assist in military training, development, and

strategic decision-making. Military support firms provide assistance with "logistics, intelligence, technical support, supply, and transportation" (Singer 2008, 97). These firms do not participate in core military or security functions. Instead, they offer secondary or peripheral services and operate away from the front lines. Singer includes military support firms as members of the PMSC industry because they perform tasks essential for military effectiveness that are typically carried out by national military units.

Singer's tip-of-the-spear typology has become the standard for classifying PMSCs. Nevertheless, some scholars have pointed out weaknesses and offer improvements. Dunigan argues that, "the tip-of-the-spear terminology is somewhat misleading in the context of modern security companies" (Dunigan 2011, 13). Due to the prevalence of asymmetric warfare, modern wars rarely have clear frontlines. In addition, tasks like training and strategic consulting usually occur further from the frontlines than do many logistical services, such as troop transportation. Another problem is that, as discussed above, many PMSCs offer a range of services that fall into all three of Singer's categories, making it difficult to place PMSCs into any one category.

Avant (2005) offers solutions to these problems. She resolves the issue of some PMSCs occupying multiple categories on Singer's spectrum by using contracts as her unit of analysis rather than PMSCs themselves. As Dunigan states, "this allows the analyst to look at a certain firm based on its activities in a certain situation, rather than generalizing about the firm based on outdated notions of the services it provides" (Dunigan 2011, 14). Avant also returns to dividing PMSCs into two distinct categories: those that provide external security, or military services; and those that provide internal security, or police services. She then organizes both of these categories around their own tip-of-the-spear typology. PMSCs that provide external security

exist neatly along Singer's tip-of-the-spear typology. PMSCs that offer internal security offer services that range from "site security (armed and unarmed), crime prevention, and intelligence gathering" (Avant 2005, 16). Armed security represents a core police function, while unarmed security, crime prevention, and intelligence gathering represent more peripheral police functions.

In this study, I utilize Avant's typology because it recognizes that PMSCs perform a wide range of services that cannot all be placed in rigid dichotomous categories, while maintaining the distinction between military corporations and security corporations. Also, focusing on PMSC contracts instead of the PMSCs themselves allows me to focus on what PMSCs actually do in the conflicts they are hired to participate in, rather on what they have done in the past or advertise that they are capable doing. Moreover, the dataset I use, the Private Security Database (PSD), distinguishes PMSCs based on categories very similar to Avant's typology, making it the ideal typology for my study.

Having discussed what makes PMSCs unique, I outline the relevant literature on my first question: what factors influence whether states fighting civil conflicts work with PMSCs.

Why Hire PMSCs?

Since PMSCs perform a wide variety of tasks, there is no one reason that governments hire them. The most well-known PMSCs are famous for their roles in violent conflicts, but governments also hire PMSCs to help with reconstruction efforts after conflicts have ended. Governments not experiencing violent conflicts hire PMSCs to help with security issues, such as maritime security (Cusumano and Ruzza 2015), or preventing drug trafficking (Perret 2012). There is also a great deal of variation in the types of governments that hire PMSCs. The largest clients have been wealthy western democracies like the U.S. and U.K., but PMSCs have also

played a large role working for governments that are often poor, unstable, and lack a history of democratic rule (Branović 2011). In short, governments have different problems, interests, capabilities, and face different normative constraints that all affect their abilities to solve problems autonomously, meaning that different governments will have different reasons for hiring PMSCs.

While most of the literature on when governments hire PMSCs tends to focus on specific cases, Kruck (2014), Cusumano (2015), and Fahn and Hadjer (2015) outline the most prominent explanations of why governments hire PMSCs, organizing these explanations into three categories: functionalist explanations, post-instrumentalist explanations, and ideationist explanations. These explanations are not mutually exclusive. Governments can hire PMSCs for all three or just one of these reasons. However, depending on the client government's characteristics and the problems they face, it is likely that these explanations will have different degrees of explanatory power in different situations.

Functionalist Explanations

According to Kruck, "a functionalist model of problem-driven privatization conceives of the increasing use of PMSCs as a means for the effective and cost-efficient pursuit of states' security goals" (Kruck 2014, 115). This explanation can be broken down into two parts: hiring PMSCs reduces financial costs; and hiring PMSCs increases military effectiveness (Fahn and Hadjer 2015, 222). These two sides of the functionalist explanation are often interrelated. Reducing costs in one area can free up resources that can be used to increase military effectiveness in other areas, and increasing military effectiveness can help reduce the amount of resources spent on an issue. It is, however, important to recognize that hiring PMSCs can be

more cost-effective than using national soldiers even if it they raise financial costs or reduce military effectiveness, just so long as it has an offsetting positive effect on the other dimension.

One of the most prominent functionalist explanations for why governments hire PMSCs is that they reduce the need to train and equip military units to handle highly technical and specialized tasks. While unconventional war has always existed, during most of the twentieth century, a principal means of warfare involved large national armies supported by artillery, armor, and air cover designed to face-off until one side managed to overpower the other (Kaldor 2013). Since populous wealthy states were typically the only actors that could support such armies, military power was concentrated in the hands of a few states. Yet advancements in technology and the breakdown of the bi-polar Cold War system have made such armies less effective. The primary security threats for most states after the Cold War do not come from the national armies of other powerful states. Rather, "guerrillas, terrorists, members of private militias—even malevolent computer hackers—seem to be displacing the formally trained, well-equipped, publicly funded soldier" (Mandelbaum 1998, 35). Conventional national armies are ill suited for fighting these smaller yet numerous decentralized actors because they rarely present themselves as targets on a battlefield. Instead, these actors make a point of avoiding direct engagement with conventional armed forces, preferring to hide and operate in civilian areas or in geographically isolated regions where conventional military units find it difficult to operate. For these reasons, militaries have had to shift their focus from combating large-scale national armies on the battlefield to combating a diverse set of smaller, decentralized, and often tech savvy actors.

The problem for governments is that, "under the complex-enhancing conditions of deep and rapid technological changes in warfare, volatile security environments and asymmetric violent conflicts, states—and more specifically their armies—do not always possess all the skills, qualifications and expertise that would be necessary to effectively manage their security problems" (Kruck 2014, 115). As the information revolution progresses weapons systems are becoming more complex. Soldiers are using robots to deactivate landmines and improvised explosives. Drone pilots need to coordinate with soldiers operating on different continents. In order to utilize new technological advancements, today's soldiers must be more tech savvy than ever before. Moreover, as Singer notes, "most of the information systems used by the world's modern military forces are designed, developed, and managed by civilians, primarily for civilian purposes, and make extensive use of the civilian information infrastructure" (Singer 2008, 62). As such, modern militaries often cannot acquire the skills they need to utilize their weapons and information systems without consulting with the civilians that design and maintain them. In addition, with the shift from combating large national armies to smaller decentralized insurgent groups in failed states, the mission of modern militaries has expanded. Instead of being able to focus primarily on combating enemy armies on the battlefield, soldiers must now also utilize a diverse set of counterinsurgency and peacekeeping techniques necessary for undermining insurgents' support networks (Cusumano 2014).

Together, these factors mean that the costs of maintaining militaries that are capable of handling the latest security threats are increasing. The more technical and diverse the tasks that soldiers need to be capable of performing, the more specialized training they must go through, and the more specialized equipment they need. The reliance on complex civilian infrastructure

also means that modern militaries often do not have personnel with the necessary expertise to operate their weapons and information systems autonomously. This is problematic for cost sensitive bureaucrats and politicians, who "balk at the expense of building up and continuously sustaining a military resource base that would be sufficient for autonomously dealing with their security problems" (Kruck 2014, 115). As stated by McFate, "the costs associated with equipping, training, and sustaining these specialized military units are too great for all but the wealthiest public armies" (McFate 2014, 48), and even wealthy governments face pressure to reign in growing defense budgets.

Hiring PMSCs can help alleviate some of the costs of maintaining military preparedness. PMSCs typically employ small groups of specialized personnel that can mobilize and arrive where and when they are needed on relatively short notice. In April of 1995, Sierra Leone hired Executive Outcomes to "support, train, and aid" national troops in combating Revolutionary United Front (RUF) insurgents, and in less than a month Executive Outcomes had between 150 to 200 personnel in the country fully equipped with their own helicopter support (Avant 2005, 86-87). In this case, Sierra Leone's government was able to acquire a highly trained and well-equipped military unit on short notice without having to pay for any of their training or equipment themselves. The ability to hire well-trained and well-equipped combat units is especially helpful for poorer governments like Sierra Leone's, as they often lack the resources to develop their own military capabilities autonomously. Hiring PMSCs also, "enables the armed forces to free their own resources and to concentrate on core functions" (Fohn and Hadjer 2015, 222). According to McFate, "even though the number of PMSCs in Iraq and Afghanistan well exceeded the number of regular military personnel, the vast majority of contractors in Iraq and

other places are unarmed and provide nonlethal logistical support, such as construction, maintenance, and administrative duties" (McFate 2014, 22). As modern militaries grow to rely more and more on civilian information infrastructure, personnel from private firms "send hundreds of employees into the field to act as trainers, repairmen, troubleshooters, programmers, and hand holders to military personnel" (Singer 2008, 63). Outsourcing these technical tasks to PMSCs frees up national militaries to focus on their core missions, which they usually define as engaging enemy combatants.

Hiring PMSCs can also be more cost-effective than developing military units autonomously because governments only need to pay PMSCs when they are on the job (Fahn and Hadjer 2015, 222). National soldiers need to be trained, equipped, housed, fed, transported, and given medical care throughout their entire time in the military. Once soldiers retire, most militaries provide them with retirement packages, as well as various benefits such as education stipends, money to start a business, or discounts on various forms of insurance. If a soldier dies or is wounded, the military pays for medical treatment or funeral arrangements. Large segments of national militaries' bureaucracies need to be devoted to managing the payout of these benefits. Moreover, governments need to pay for these expenses regardless of whether their soldiers go to war or never leave their barracks. In contrast, PMSCs handle most of their own expenses. They find their own qualified personnel, they acquire their own equipment, they handle their personnel's medical expenses and retirement benefits, and governments' only need to pay them if they are actually used. Once their task is complete or a government decides that it no longer needs PMSCs, they can terminate their contracts. Thus, PMSCs are viewed as more cost-effective than maintaining national armed forces because they can be hired and paid on an as-

needed basis. In sum, "contracting with PMSCs enhances states' capacity to respond quickly and flexibly to complex security problems and bolsters their adaptability in the face of changing challenges and technologies of warfare, while reducing economic costs" (Kruck, 2014, 116).

Political-Instrumentalist Explanation

Political-instrumentalist explanations for why governments hire PMSCs differ from functionalist explanations in that they focus on political costs rather than financial costs (Minow 2004; Avant 2004; 2005; Avant and Sigelman 2010; Carmola 2010; Deitelhoff 2010). Military operations deemed necessary by military leaders can be unpopular with legislators, the media, special interest groups, or the public in general due to being viewed as too expensive, not important enough to put lives at risk, or out of alignment with prevailing norms. Higher casualty rates in particular have been found to undermine domestic support for military actions (Mueller 1973; Gartner and Segura 1998; Gartner 2008). Even in those situations when military operations do have domestic support, actors outside the military hierarchy tend to want some level of influence over how operations are conducted. This is especially true in liberal democracies, where legislatures control military spending, citizens can vote out leaders who drag their country through unpopular wars, and civil society actors can lobby leaders to act on specific issues. In such situations, military leaders must often sacrifice their autonomy and alter how they carry out their operations, or else risk losing the political support necessary to operate at all.

Hiring PMSCs instead of using national soldiers allows military leaders to carry out military and security operations while avoiding some of these political costs. One reason for this is that PMSCs are less transparent than national militaries (Avant 2004; Avant 2005; Avant and Sigelman 2010). In democracies like the U.S., information on where troops are deployed, the

number of troops deployed, and the number of troop casualties is publicly available. Information on when troops are accused of committing crimes is available as well, as is information on the amount of money spent on military operations. In contrast, there is much less information available on the activities of PMSCs. According to Avant and Sigelman, "in many areas, the government simply does not (or did not) collect data on contractors, so information about which PMSC personnel are deployed, where, and in what ways is (or was) de facto not available" (Avant and Sigelman 2010, 244). Of the information that is collected, much of it is not made available to the public, because "by law, commercially sensitive information must be concealed when government documents are released" (Avant and Sigelman 2010, 244).

The media also tends to ignore the activities of PMSCs compared to the activities of national troops. Specifically, media outlets draw a great deal of attention to stories concerning when national troops are deployed or killed, but they ignore similar stories about PMSCs. Avant and Sigelman show this in their month-by-month study of the *New York Times'* coverage of PMSCs versus U.S. troops in Iraq from January 2003 to March 2007. They argue that, "the only times when PMSC personnel amounted to more than a blip on the media's radar screen were when sensational events occurred that involved PMSC employees" (Avant and Sigelman 2010, 246). In contrast, the number of articles written on U.S. troops never fell below 250 a month. They also tracked the coverage of PMSCs versus U.S. troops in the *St. Louis Post-Dispatch* and found similar results. Avant and Sigelman argue that these differences are not due to their being fewer PMSC personnel than military personnel in Iraq, as the number of PMSC personnel in Iraq has been nearly equal to the number of U.S. troops since such information began being recorded in 2006. The number of death claims filed for PMSC personnel were also about one-third of U.S.

military deaths, meaning that PMSC personnel were being killed at a rate that would warrant media attention if casualty rates were the primary means of determining the importance of a story.

In addition, several scholars have argued that citizens are less sensitive to private contractor casualties, both because private contractor casualties receive less attention in the media, and because the public simply cares less about private contractors (Brooks 2000a; Stranger and Williams 2006). As Brooks puts it, when a soldier dies its front-page news everywhere, but if a private contractor "is shot wearing blue jeans, it's page fifty-three of their hometown newspaper" (Brooks 2000a). Stranger and Williams agree, stating that, "put simply, a public concerned about U.S. casualties and American body-bag counts is less sensitive and less attentive to these same issues when the victims are private contractors, not Americans in uniform" (Stranger and Williams 2006, 10). Surveys conducted by Avant and Sigelman contradict the idea that the general public cares less about the deaths of private contractors than they do about the deaths of U.S. troops, but they did find that the public was generally less aware when contractor casualties occurred. Schooner (2008) also found that private contractor casualties go widely unreported in the media, supporting Avant and Sigelman's findings from their study of the *New York Times* and *St. Louis Post-Dispatch*, and suggesting that there is less demand from the public for stories on contractor casualties. Thus, the lack of widely available information on PMSCs and the possible apathetic attitude citizens take towards PMSC casualties means that military leaders can avoid the political costs that normally come with carrying out military operations by hiring PMSCs instead of using national troops.

PMCS are also more difficult for government actors outside the military hierarchy to control, not only because less information is available on their activities, but because PMSCs are private actors that exist outside normal chains of command. For example, in the U.S., "Congress approves the military budget, but it does not approve—or often know about—individual decisions for contracts" (Avant and Sigelman 2010, 249). Congress is also in charge of regulating the size of the military, restricting how soldiers can be deployed, structuring the chain of command, and approving promotions. Yet these powers are difficult to apply to PMSCs who, being private actors, do not need Congress' approval to manage their personnel or redesign their internal structure. More generally, "contracting avoids the need to mobilize state machinery and centralizes influence with those in charge of dispersing funds to and overseeing the contractor" (Avant 2005, 60). This effect tends to favor executives and military leaders, as opposed to legislators or judicial actors, and is more prominent in weak or non-democratic states where executives already hold a disproportionate amount of power. As such, hiring PMSCs allows executives and military leaders to avoid veto points that they would normally have to overcome were they to use national troops to carry out military operations.

PMSCs can also help executive and military leaders avoid political costs by taking on illicit or unpopular tasks and keeping them out of the eye of the public. For example, private contractors were present at the Abu Ghraib prison in Iraq and participated in the human rights abuses that occurred there (Minow 2004, 993). PMSC personnel were also part of the failed 2004 "Wonga Coup," in which personnel from Executive Outcomes and the Steele Foundation attempted to carry out a coup in Equatorial Guinea with the "tacit approval of both UK and US administration officials" (Carmola 2010, 48). In 1997, U.K. government officials also worked

closely with Sandline International to deliver 35 tons of AK-47 rifles to Sierra Leone in violation of a UN resolution banning the shipment of weapons to the region (Kinsey 2006, 78). These weapons were to be used in a counter-coup against Liberian President Charles Taylor, but the operation was discovered before the coup occurred. Although these events were eventually brought to the public's attention, the fact that they occurred at all suggests that government and military officials hire PMSCs to carry out illicit and unpopular tasks in order to keep some distance from the tasks themselves. Thus, as stated by Kruck, "the privatization of security is a genuinely political and instrumentalist strategy of governments in strong and democratic states that serves to avoid politically costly parliamentary, civil society, and media scrutiny, opposition and control in the area of security policies" (Kruck 2014, 117).

Ideationist Explanations

In contrast to functionalist or political-instrumentalist explanations of hiring PMSCs, ideationist explanations do not emphasize the costs and benefits of this decision. These explanations instead focus on the prevailing norms on the proper role of government and the core mission of the military. According to Kruck, "from an ideationist's perspective, conceptions of what constitutes proper and normal modes of security governance are first and foremost shaped by transnational and national norms and ideas defining the appropriate roles of state and non-state (market) actors in fulfilling security functions" (Kruck 2014, 119). The strength of neoliberal economic norms is argued to be particularly influential in determining how willing governments are to outsource military and security services.

Neoliberalism first took root in the U.S. and U.K. during the 1980s. Margret Thatcher was a strong believer in free enterprise and competition, believing that "state-owned enterprises

were inefficient and politicized" (Dunigan 2011, 9). Under her leadership and that of her successor John Major, the U.K. privatized dozens of industries, including the National Freight Corporation, British Oil, the British water supply, Rolls Royce, the British Airports Authority, and the electric industry (Reitan 2003). In the U.S., one of the central principles of Reaganomics was that the country's basic needs could best be met by private enterprise. Due to the economic growth that followed the adoption of neoliberalism in the U.S. and U.K. and the collapse of the Soviet Union, other developed countries as well as many in Latin America, East Asia, and Eastern Europe adopted neoliberal economic policies. These norms legitimize the idea that private actors are capable of carrying out many functions once thought to solely be the responsibility of governments, including military and security tasks. According to Kruck, "the transnational diffusion of neoliberal policy ideas has increasingly undermined normative biases for the state provision of security governance—to the point that privatization of non-core functions has become part of the transnational model of a lean armed force that are focused on the 'core tasks' (Kruck 2014, 119).

Yet not all states have bought into the idea that military and security tasks should be outsourced to private actors. Even the most powerful transnational norms must be filtered through domestic norms and institutions, and many governments consider providing military and security services to be their core function. There are, however, different national conceptions of the relationship between states and private actors. According to Petersohn (2010), the crucial domestic variable that determines how open governments are to privatizing military and security services is their notion of sovereignty. He states that, "if sovereignty is defined minimally market solutions are embraced and military activities are outsourced extensively" (Petersohn 2010, 531).

States that hold a broader understanding of sovereignty are more reluctant to hand over military and security tasks to private actors. Kruck makes a similar distinction. He contends that there are two basic types of states: those built on *laissez-faire* liberalism conceptions of the state; and those built on interventionist conceptions of the state:

> "A conception of the state that is built on laissez-faire liberalism is skeptical about the concentration of competencies and power resources with the federal state and aims at a minimal state, which leaves as many tasks as possible to the individual or the private sector. By contrast, an interventionist conception of the state has less confidence in the steering capacities of the market and considers necessary interventions of a state that is rich in competencies and resources. In the state-interventionist conception, crucial governance functions affecting the common good must be fulfilled by the state." (Kruck 2014, 119)

Governments predominantly built on *laissez-faire* liberal conceptions of the state are more likely to apply neoliberal economic norms to the provision of military and security tasks and privatize many of the non-core functions, while governments predominantly built on state-interventionist conceptions of the state will be less likely to privatize military and security tasks and maintain control of non-core functions. Krahmann also argues that states built on a republican approach to civil-military relations which "emphasize the responsibilities of an active citizenry," like Germany, have been less likely to outsource military tasks than those state built on a liberal approach to civil-military relations which emphasizes "the rights and choices of the individual," like the U.S. and U.K. (Krahmann 2010, 27).

Differences in what national militaries consider to be important elements in their core mission also affect how likely they are to hire PMSCs. Cusumano (2014) shows this in his comparative study on military role conceptions in the U.S. and U.K. and how they affect these governments proclivity to hire PMSCs. He notes that the U.S. and U.K. are both developed democracies that underwent neoliberal reforms at the same time and have worked as partners in

large-scale military conflicts in Iraq, Afghanistan, and in the global fight against terrorism. As such, their militaries have faced many of the same functional, political, and normative constraints since the end of the Cold War. Yet, "although it systemically relied on PMSCs for the provision of logistics, the UK military has largely refrained from outsourcing tasks extensively privatized in the United States, such as armed security and military training" (Cusumano 2014, 220). Cusumano argues that this difference is due to the U.S. and U.K. militaries having different understandings of what their roles are. In the U.S., low intensity and law enforcement operations are considered unconventional functions for the military, which avoids performing such tasks whenever possible. As Cusumano explains:

> "A focus on European continental militaries as organizational templates, the experience of the civil war, the two World Wars and the prospect of a confrontation with the Soviet bloc in the form of large-scale ground operations in Europe shaped the organizational culture of the US Army around the performing of high intensity, division-size operations." (Cusumano 2015, 223)

The conception of the U.S.'s role is thus based on combat specialization. Tasks outside of combat specialization are seen as peripheral, and therefore appropriate for privatization. In contrast, the U.K.'s military has been required to meet a wider array of challenges over the centuries as it worked to maintain the British Empire. Low-intensity tasks such as policing, counterinsurgency, and administrative duties were often an interregnal part of the army's mission, making them core functions. Thus, the U.K. military has been more resistant to outsourcing military and security tasks to PMSCs than the U.S. because historically it had a wider role than the U.S. military. In sum, ideationist explanations for why governments hire PMSCs draw attention to the importance of transnational and national norms on the proper role

of governments, the proper relationship between government and markets, and what tasks represent the core functions of national militaries.

Quantitative Evidence for Theories on Why States Hire PMSCs

Despite the attention PMSCs have received from scholars, there is relatively little quantitative research on why governments hire them. The explanations outlined above are largely based on anecdotes, case studies, or small-n comparative studies. Moreover, these studies focus a great deal on the hiring practices of the U.S. and U.K., two developed democracies with a liberal conception of the state that faced similar functional demands during and after the Cold War. As such, while the explanations outlined above have empirical support, broader testing has not been conducted on which explanations are more powerful and which are more applicable to governments that are not the U.S. and U.K.

Branović (2011) presents data from the Private Security Database (PSD) that suggests certain conditions influence when governments hire PMSCs, but as he admits, his article is "strictly descriptive and does not aim at proving causal relations" (Branović 2011, 2). The PSD contains annual data on thirty-two countries that experienced state failure for at least one year between 1990 and 2007. It includes data on what year PMSCs were present in each country, who hired them, and how many PMSCs performed specific types of tasks. Tasks are organized along a spectrum similar to Singer's tip-of-the-spear typology. Branović finds that the number of PMSCs present in these states generally increased over the period studied, as did the number of PMSCs hired by external clients rather than internal clients. He also found that PMSCs were generally hired to perform non-core military and security functions, and that this trend increased over the period studied. Governments with higher military budgets, those experiencing political

instability, and those experiencing foreign military intervention were also more likely to see the presence of PMSCs in their country. These findings provide useful information for building theories as to why particular governments hire PMSCs, but since they are not based on any theoretical framework, they do not answer that question.

The only Large-N study that tests a theory useful for answering when governments are more likely to hire PMSCs is Chojnacki et al.'s (2009) study on mercenaries in civil wars. Chojnacki et al. examine what factors contribute to a higher risk of mercenary involvement in civil wars. Their data is based on "the New List of Wars by Chojnacki (2006), which builds on the COW and Uppsala data but includes additional information" (Chojnacki 2009, 7). It contains data on every internal and sub-state conflict that occurred between the years 1950 and 2000, using a dichotomous indicator for whether the conflict did or did not experience the presence of any kind of mercenary. Chojnacki et al. build their hypotheses on the principle of supply and demand: "mercenaries will be fighting in a war if and only if some party to the conflict is willing and able to pay a price for their service, and there are some potential mercenaries who, for this price, are willing to fight" (Chojnacki et al. 2009, 2). Factors such as GDP, the presence of natural resources, and military intervention are hypothesized to shape demand for mercenaries, while factors such as troop numbers in national militaries are argued to shape the supply. Their results confirm that mercenaries are more likely to participate in wars in countries with higher GDPs, diamond mines, and those experiencing military interventions. The presence of oil wells was not found to affect the probability of mercenary involvement, nor were downward trends in national troop levels in the years preceding civil wars.

Chojnacki et al.'s study has limitations. First, it does not distinguish between PMSCs and more ad-hoc mercenary actors also active in the mid-twentieth century. Second, it only looks at mercenary *involvement* in civil conflict, not at whether governments are doing the actual hiring. However, the study does contribute to an understanding of when governments experiencing civil conflicts are more likely to hire PMSCs. Its primary contribution is that it explains how the theory of supply and demand can be useful for examining when governments hire PMSCs. When demand is high and governments are capable of paying, PMSCs should be more likely to accept contracts, and when supply is high, governments should be more likely to view PMSCs as a cost-effective means for satisfying their security needs. Even though not all of the indicators used by Chojnacki et al. were found to be statistically significant, that does not invalidate the overall theory. Thus, Chojnacki et al.'s Large-N study provides explanations for when governments experiencing civil conflicts are more likely to hire PMSCs in addition to the explanations that rely more on small-n studies that looked at developed democracies like the U.S. and U.K.

My study will fill in the gaps in the existing literature on when states work with PMSCs in several ways. First, I will test theories that are applicable to states experiencing civil conflicts, instead of focusing on the hiring practices of a few developed democracies participating in a few specific foreign wars. In doing so, my results will be useful for explaining why those states that are least capable of limiting shirking when working with PMSCs sometimes do so anyway. I will also focus specifically on when states hire PMSCs, not more ad hoc mercenary-like actors, since these types of mercenaries cannot be assumed to have the same interests that PMSCs have in abiding by rules set by states in order to protect long term profits. In doing so, I will be testing theories specifically designed to explain PMSC involvement in civil conflicts, not mercenary

involvement in general. My study will also distinguish PMSCs based on the type of services they are hired to provide, instead of assuming that explanations for why states hire PMSCs are equally applicable to all types of PMSCs. Lastly, I will perform my own case study on why the Nigerian government hired the PMSC STTEP in 2015, in order to examine what this particular case reveals about why states fighting civil conflicts hire PMSCs, as opposed to small-n studies that focus on the hiring practices of stronger more secure states.

Having discussed the gaps in the existing literature related to why states hire PMSCs, I move to outlining the relevant literature on my second question: when do PMSCs help states win civil conflicts once they are hired.

PMSCs and Civil Conflict Outcomes

It is not clear whether the PMSCs that governments hire to defeat rebels and help resolve civil conflicts actually contribute to ensuring these outcomes. Advocates argue that hiring PMSCs is an efficient way for governments to quickly increase their military capabilities, defeat insurgent groups, and reestablish stability within a territory (Brooks 2000a; 2000b; Lynch and Walsh 2000; Shearer 2001; Wright and Brooke, 2007). Critics argue that since PMSCs are ultimately profit-driven, they have incentives to work prolong conflicts in order to maximize profits (Avant 2004; Avant 2005; Avant and Sigelman 2010; Francis 1999; Leadner 2005; McCoy 2010; Minow 2004; Musah 2002; Valente and Medani 2012). Complicating matters further, advocates and critics often look at the same conflicts and come to different conclusions on whether PMSCs had a positive or negative effect. Disagreements such as these are typically the result of advocates and critics having different standards for what it means for a conflict to be

resolved, what PMSCs can be expected to achieve, and whether PMSC activities are compared to the activities of other types of military and security actors.

The Advocates' View: PMSCs Help Resolve Conflicts

Advocates of PMSCs focus on their potential to increase the effectiveness of government troops, terminate conflicts quickly, and establish levels of stability necessary for post-war reconstruction more efficiently than local and international troops. Brooks (2000a) argues that through armed peace efforts or outright military victory, PMSCs can quickly end civil conflicts and provide the post-conflict stability necessary for state building and democratic transition "faster, better, and cheaper than the United Nations" (Brooks 2000a). In the case of Sierra Leone, Executive Outcomes only charged $35 million for the 19 months it spent in the country, as opposed to the $600 million the government paid to its own military during that time (Shearer 2001), or the $3 million the UN spent each day (Brooks 2000b). Executive Outcomes also indisputably turned the tide of the conflict in Sierra Leone in the government's favor, at least for as long as it was present in the country.

PMSCs like Executive Outcomes are claimed to be so effective because they are capable of quickly mobilizing specialized personnel and equipment to fit the needs of their client without being weighed down by the "bureaucratic and sometimes partisan political concerns that hinder decision-making processes of governments, militaries and international organization" (Wright and Brooke, 2007). In addition, advocates claim that PMSCs "utilize highly trained personnel who are veterans of the world's finest militaries" whose quality is "bound to be much higher than contributing states to a multinational mission" (Brooks 2000b, 4). PMSCs also face strong incentives to be more efficient than public troops due the availability of other PMSCs willing to

take their place (McFate 2014, 46). Indeed, advocates refute the claim that PMSCs are less loyal than national soldiers by asserting that market forces provide sufficient incentive for PMSCs to remain loyal (McCoy 2010).

Advocates also argue that PMSCs are more humane than some national troops. PMSCs are corporations with an interest in maintaining their reputations (Coker 1999, 111), are profit-driven instead of ideological, and rarely have loyalties to specific ethnic or cultural groups in the countries they operate in (Lynch and Walsh, 2000). For these reasons, PMSCs have few incentives and several strong disincentives to commit human rights violations. In contrast, national armed forces in most states experiencing civil conflicts suffer from "training deficiencies, strategic inadequacies, and a poor understanding and regard for the rules of war and human rights" (Books 2000a). Additionally, national military forces often have personal loyalties to specific ethnic or cultural groups affected by the conflicts. For these reasons, national military forces are often ill equipped to act as professional and effective soldiers in comparison to PMSCs.

Perhaps the strongest argument advocates make is that it is unethical not to allow PMSCs to help resolve civil conflicts considering how many people die while most of the international community does nothing. Shearer asks, "if a private force, operating with international authority and within international law, can protect civilians, how moral is it to deny people protection just because states can't or won't find the forces to do it?" (Shearer 2001, 30). Indeed, one of the reasons PMSCs first emerged was because powerful states with the capabilities to intervene in civil conflicts in the developing world were no longer willing to do so. Thus, advocates ask which course is better: to allow civil conflicts to drag on and let human rights abuses continue

while those actors with the capabilities to end the violence do nothing, or to allow PMSCs to put a stop to the violence for a comparatively small fee? While most advocates acknowledge that enduring solutions to civil conflicts can only come from local actors, when it comes to options for ending civil conflicts, advocates claim that PMSCs have the capabilities to "stop the killing and provide the essential window of peace that will allow for reconciliation, and free and fair self-determination" (Brooks 2000).

The Critics' View: PMSCs Are Part of the Problem

Critics of PMSCs tend to focus on three related yet distinct arguments: that PMSCs increase both the perceived and actual security needs of states; that they empower actors that can challenge state authority; and that they undermine necessary processes of state building. Anna Leander (2005) argues that, "the development of a market for force increases the availability and perceived need for military services" (Leander 2005, 605). Being profit-driven, PMSCs create demand for their services by portraying themselves as experts at identifying the changing security needs of their clients. Once they identify new security needs, PMSCs offer their services to fulfill those needs. In this way, PMSCs can create security issues where no security issues used to exist. In addition, PMSCs are more difficult to monitor than public forces (Avant 2004; Avant 2005; Avant and Sigelman 2010; Leadner 2005; McCoy 2010; Minow 2004). Combined with the fact that PMSC clients are often weak states, being difficult to monitor makes it hard for client states to tell whether PMSCs are actually addressing legitimate security concerns or are working to prolong conflicts in order to increase their profits. Moreover, in addition to being paid to help defeat rebels and establish order, PMSCs are often paid by partner corporations to help secure their access to natural resources. Thus, given that PMSCs can find numerous ways to

profit from conflicts, critics assert that PMSCs have incentives to underperform or even purposely prolong conflicts in order to increase their profits.

Critics also claim that PMSCs perpetuate conflicts by increasing the military capabilities of insurgents and other non-state actors. Prominent PMSCs insist that they only work for clients with legitimate authority, but it is often difficult to determine who has legitimate authority in civil conflicts, allowing for situations where PMSCs can be flexible with who they sell their services to. Francis (1999), Musah (2002), and Valente and Medani (2012) look at Sierra Leone to demonstrate this argument. Sandline International brokered the sale of 35 tons of AK-47 assault rifles, ammunition, and mortars to government loyalists after the coup in 1997. Prominent members of Executive Outcomes remained in Sierra Leone to supply and fight with rebel forces as well as to act as intermediaries between Liberian President Charles Taylor and the RUF. Musah claims that PMSCs in Sierra Leone "often transferred deadly expertise in weapon handling to unaccountable local militias," such as the Kamajor militia who Executive Outcomes worked with throughout the war. In working with so many actors, PMSCs perpetuated the war in Sierra Leone by supplying military and security services to any group that could pay. Thus, critics argue that PMSCs prolong and intensify civil conflicts by training and supplying actors that would otherwise not be able to fight.

Another argument that critics make is that PMSCs divert resources away from public militaries and interrupt necessary processes of state building. Leander argues that the presence of PMSCs "diverts financial and human resources that might otherwise have gone into constructing public security institutions into the private market" (Leander 2005, 616). PMSCs tend to offer better pay to soldiers than their own governments, especially if the soldiers are highly qualified,

and once military budgets have been reduced states face pressure to maintain low levels of spending by continuing to outsource their security. Musah (2002) makes a similar claim, arguing that international organizations like the World Bank and the IMF place a great deal of pressure on states to reduce government spending in an attempt to foster economic growth. As a result, states typically do not invest in a well-functioning security apparatus, preferring to buy security from PMSCs or other private armed actors. The effectiveness of PMSCs also undermines the status of the government's military forces both in the eyes of the public and the international community. Together, these factors make it difficult for states to develop the security institutions necessary to function as modern states.

Quantitative Evidence for Whether PMSCs Help States Win Civil Wars

As is the case with theories on why governments hire PMSCs, theories on when PMSCs help resolve civil conflicts tend to rely on anecdotes, case studies, and small-n comparative studies. Scholars tend to focus on the role PMSCs played in conflicts in Sierra Leone, Angola, and Croatia because those are the conflicts where the best case can be made that PMSCs helped governments resolve civil conflicts. Only a few large-n studies examine the activities of PMSCs in civil conflicts more broadly. Akcinaroglu and Radziszewski (2012) analyze the impact of private military corporations (PMCs) on the duration of civil wars in Africa from 1990 to 2008. They theorize that since they are profit-oriented entities, "prevailing opportunity structures in conflicts will determine PMCs' behavior in wars" (Akcinaroglu and Radziszewski 2012, 797). They assert that, "if the environment in which a PMC operates allows it to profit from prolonging the war without facing reputational consequences, we expect it to do so" (Akcinaroglu and Radziszewski 2012, 800). Akcinaroglu and Radziszewski hypothesize that if

multiple PMCs are hired to end a conflict, each PMC will have greater incentives to help end the conflict sooner because it is more difficult to underperform and still maintain a contract when there are competitors able to take your place. Their findings support this argument. In the absence of competition from other PMCs operating within a conflict, conflicts involving PMCs tend to last longer. In addition, they also find evidence supporting the theory that when governments compensate PMCs through contracts to extract natural resources, PMSCs end conflicts more quickly. Akcinaroglu and Radziszewski presume that this is because extracting natural resources is more expensive during periods of instability.

Petersohn (2014) tests the impact of mercenary involvement on civil war severity between 1946 and 2002. He theorizes that since mercenaries are more difficult to hold accountable than public troops and often have an interest in quashing violence that might interfere with mining operations, conflicts characterized by the presence of mercenaries should be more severe. The number of civilian or military casualties that result directly from hostilities measures severity. His results show that mercenary involvement in civil conflicts correlates with an average of 65 percent increase in the number of deaths. In addition, Petersohn finds that the interaction between mercenaries and valued natural resources in the same conflict also increases conflict severity. Controls such as military quality, rebel strength, and ethnic fragmentation were not significant. In another article, Petersohn (2017) uses the Private Security Database to argue that PMSCs increase military effectiveness, which he defines as “the ability of the client’s forces to inflict damage upon the enemy and expand military operations” (Petersohn 2017, 4), which he operationalizes as the total military and civilian casualties that result from direct hostilities. Moreover, he theorizes that the extent to which PMSCs increase military effectiveness depends

on the type of services they provide. His results indicate that the impact the presence of PMSCs has on conflict severity depends on where the tasks they perform appear on the tip-of-the-spear typology. PMSCs performing combat related tasks increase conflict severity the most, while PMSCs providing logistical support may decrease conflict severity. PMSCs providing operational support increase conflict severity, but less so than PMSCs engaged in actual combat.

In sum, while both advocates and critics of PMSCs have developed several arguments regarding whether PMSCs help resolve or prolong civil conflicts, these arguments are largely theoretical and rarely rest on any broad empirical evidence. Moreover, advocates and critics hold PMSCs to different standards. Advocates tend to compare PMSCs with poorly trained local or international troops, while critics compare PMSCs to national militaries in developed states. Advocates and critics also emphasize different aspects of the same cases in order to push a particular narrative. For example, advocates point to the case of Executive Outcomes in Sierra Leone to show how an affordable PMSC helped push back RUF insurgents, while critics point to the involvement of other PMSCs in Sierra Leone to show how they worked with both sides of the conflict. While there are a small number of large-n studies that examine the affect PMSCs have on conflict outcomes, only Akcinaroglu and Radziszewski look at how they affect conflict duration, but their study is limited to conflicts in Africa. Petersohn finds that PMSCs can affect conflict severity, but it is not clear if this increase in severity leads to a reduction in conflict duration. Lastly, none of these studies examine whether PMSCs help states win civil conflicts. While it is important to identify factors that affect civil war duration in general, shorter conflicts are not a good thing from the perspective of states if conflicts end with rebel victory.

My study will fill in the gaps in the existing literature on how PMSCs affect civil conflict outcomes in several ways. First, I focus on state victory over rebels as my outcome of interest. It makes sense to focus on this outcome because states have a clear interest in defeating rebels, while they do not have a clear interest in reducing conflict duration or decreasing conflict severity if doing so increases the risk of losing the conflict. As such, results that indicate that PMSCs can affect whether states win civil conflicts under certain conditions have clear and immediate policy implications. Using state victory as my outcome of interest also means that all PMSCs in my study will be examined according to the same clear standard: did hiring PMSCs under specific condition increase or decrease the risk of state victory? I do not focus on cost-effectiveness, or on whether PMSCs perform better in comparison with other types of actors. Having this narrow focus allows me to interpret my results without having to rely on the narratives advocates and critics use to support their claims about PMSCs. My study also includes states from five major continents, giving my study greater external validity than studies that focus on single continents. Lastly, my study examines the unique effects different types of PMSCs have on the risk of state victory, rather than assuming that all PMSCs can be expected to have similar effects.

Conclusion

The existing literature on PMSCs offers a great deal of material useful for examining when states experiencing civil conflicts hire PMSCs and when PMSCs help states win civil conflicts. Recognizing that PMSCs are legal corporations allows researchers to assume that PMSCs gravitate toward behavior that increases the probability of maintaining or increasing long-term profits. Since PMSCs exist in multiple overlapping regulatory systems, researchers

can also assume that they have strong incentives to abide by rules set by states, or at least appear to abide by such rules. There are also several existing theories that help explain why governments hire PMSCs, ranging from those that focus on costs-benefit calculations for governments and PMSCs, to normative theories that emphasize the different conceptions governments have of what tasks are appropriate for outsourcing. The debate between advocates and critics of PMSCs also provides a great deal of qualitative material on when PMSCs have helped governments resolve conflicts, and when they have hindered such efforts.

Yet, being highly qualitative, the existing literature does not test many of the most prominent theories more broadly and may not be applicable in certain contexts. When it comes to theories for why states hire PMSCs, a great deal of emphasis is placed on the hiring activities of the U.S., U.K., and other developed democracies. This is problematic, as theories that emphasize democratic institutions and neoliberal norms are difficult to apply to states experiencing civil conflicts where such norms and institutions are less common. The same is true for theories that emphasize the security needs of states that have the resources to meet their security needs on their own. Strong states like the U.S. and U.K. can be selective with when they hire PMSCs because they rarely face immediate existential threats that require a quick increase in their military capabilities, and because they already have well-funded and well-equipped militaries on stand-by. In contrast, states experiencing civil conflicts may not have the luxury of being able to choose when to hire outside actors, because the security threats they face come in the form of rebel groups operating within their borders. States that struggle with civil conflicts also tend to have less need to rely on private actors for help operating technologically sophisticated weapons systems, because they often don’t have technologically sophisticated weapons systems. Thus,

existing theories on why states hire PMSCs may not be applicable for states fighting civil conflicts.

When it comes to the debate over whether states should or should not work with PMSCs, scholars often use different sets of indicators, or simply do not use indictors at all. Rather, they tend to select cases where PMSCs have done something good or bad, and then push the narrative that fits their argument. These studies fail to recognize that PMSCs may have the potential to both resolve and prolong civil conflicts depending on other factors. The existing literature also lacks both a broad theoretical framework and a common set of variables for studying how PMSCs affect state's security interests. Theories and variables tend to be contextual and not based on more general theories that are applicable in a broad set of cases.

My study seeks to fill many of these gaps in the literature. I focus on testing specific theories across a broad set of cases, making sure to differentiate PMSCs from other actors, and recognizing that different PMSCs perform different types of tasks under different conditions. In addition, I also closely examine the case of the Nigerian government hiring the PMSC STTEP in 2015, in which the hiring government is not a secure developed democracy, but a developing state fighting a civil conflict. The set of cases I examine in my statistical analyses are also all states experiencing civil conflicts, which existing theories were not developed to examine. The theories I test relate to two outcomes: when states experiencing civil conflicts hire PMSCs, and when PMSCs help states win civil conflicts. Having these clear and narrow testable outcomes makes it easier to interpret my results while still addressing the broader issue of whether PMSCs help or harm state interests. Lastly, addressing both why states experiencing civil conflicts hire PMSCs and under what conditions PMSCs help states win civil conflicts in the same study

provides more complete answers to these questions than studies that only examine one of these questions. In the next chapter, I explain how principal-agent theory is useful for developing hypotheses for why states hire PMSCs and when PMSCs help states win civil conflicts.

CHAPTER THREE

THEORY AND HYPOTHESES

In the previous chapter, I discussed existing theories on why states work with PMSCs, arguing that these theories were developed to explain military and security outsourcing by secure developed democracies, not to explain why developing states work with PMSCs during civil conflicts. I also argued that not enough research has been done to answer whether working with PMSCs helps states win civil conflicts, or how the conditions under which PMSCs are hired affect their performance. The literature on how PMSCs affect violent conflict is largely divided between advocates, who focus on PMSCs' potential to promote peace and stability better than other types of actors, and critics, who point out ways in which PMSCs can and have made conflicts worse. The problem with this debate is that both sides start with a biased view of PMSCs, and then search for evidence to support that view. No one appears open to the idea that PMSCs affect conflict outcomes differently under different conditions, meaning that no one has tried developing and testing theories that can explain variance in conflict outcomes when PMSCs are present. This is problematic, not only because answering whether and when PMSCs can help states win civil conflicts is important on its own, but also because whether or not PMSCs can increase the probability of states winning civil conflicts likely influences whether states continue to hire them. As such, using and building upon insights from principal-agent theory, I develop hypotheses on when states experiencing civil conflicts are most likely to work with PMSCs, and when PMSCs can be expected to increase the probability that states win civil conflicts.

First, it is important to note that other scholars have used principal-agent theory to explain aspects of military and security outsourcing (Singer 2008, Avant 2005, McCoy 2010). According to McCoy, the problem of PMSCs not delivering the outcomes desired by their client state resembles the civil-military problematique, which she describes as "a particular application of a more general arrangement known as the principal-agent problem" (McCoy 2010, 673). The central challenge for states in the civil-military problematique is how to empower their military to the extent that it can defend the state, while still ensuring that the military remains subordinate (Feaver 1996; 2003). McCoy argues that military outsourcing increases this challenge, because solutions to the traditional problematique focus on monitoring soldiers and building rigid military hierarchies that reinforce professionalism and socialize soldiers to respect the rule of law (Huntington 1957; Janowitz 1960; Fever 1996; 2003). Since PMSCs are independent and profit-oriented actors that exist outside national military hierarchies, these solutions are less applicable to them. As such, PMSCs are known to present agency problems for client states.

Yet few scholars dig deeper into the principal-agent literature to determine what kinds of factors might increase or minimize these agency problems. Principal-agent theory is merely pointed to as an explanation for why PMSCs sometimes act against the interests of their clients. This shallow utilization of the literature misses the fact that in many contexts, principals are often satisfied with their agent's performance, and so agency problems alone are not a sufficient explanation for why PMSCs do not always satisfy their client state's interests. Moreover, the existing principal-agent literature explores what kinds of factors influence agents' motivations and opportunities to work against their principal's interests, which has led to several theories that can help explain when PMSCs are more or less likely to help client states win civil conflicts. As

such, taking a closer look at the literature on principal-agent theory is useful when developing theories on when states experiencing civil conflicts hire PMSCs, and what factors affect PMSC performance during civil conflicts.

In the rest of this chapter, I first outline the main tenets of principal-agent theory. I then develop hypotheses on when states experiencing civil conflicts are more likely to work with PMSCs, and hypotheses on when PMSCs can be expected to help deliver victory to client states.

The Principal-Agent Problem

Economists first formally developed principal-agent theory in the 1970s (Ross 1973; Mitnick 1973; Jensen and Meckling 1976; Spence and Zeckhauser 1978). Principal-agent relationships arise between actors "when one, designated as the agent, acts for, on behalf of, or as representative for the other, designated as the principal, in a particular domain of decision problems" (Ross 1973, 134). All contractual arrangements contain elements of agency (Perrow 1986, 224). Principal-agent theory assumes that both principals and agents are rational utility maximizers, with principals seeking to control agents in order to ensure that they carry out their tasks faithfully. In conventional models, principals face two problems that limit their ability to control agents: goal conflicts with agents and information advantages held by agents. According to Waterman and Meier (1998), "because there is goal conflict between principals and agents, agents have incentives to shirk (or engage in non-sanctioned actions)" (Waterman and Meier 1998, 177). This is because, as rational-utility maximizers, agents care more about satisfying their own interests than they do about satisfying their principal's, meaning that they are motivated to engage in activities that undermine with their principal's interests when it furthers their own. Shirking can take various forms, from working inefficiently, to ignoring a principal's

commands, to directly working to undermine a principal's interests. Yet even agents with goals that closely align with those of their principal do not want to work harder or incur more risk than they have to. As such, agents have incentives to use their knowledge and expertise to get away with slacking off, as long as it does not undermine their own interests. Because principals lack the expertise of their agents, or a detailed knowledge of their agent's activities, they are often incapable of detecting such shirking, and in this way, agents can use their information advantages in order to satisfy their own interests in expending minimal effort and incurring minimal risk at the expense of their principals.

Miller (2005) provides a list of the core assumptions contained within the formal conventional principal-agent model. First, the agent must take some action that determines a payoff for the principal. Second, the principal can observe the outcome of the action, but not the action itself. In other words, principals do not understand precisely how agents produce the outcomes that they do, giving agents information advantages. Third, the interests of the agent are different from those of the principal. Interests do not necessarily have to conflict, but they do have to be different. Fourth, principals and agents are rational actors with a transitive set of preferences. Fifth, both principals and agents can predict the other's behavior based on shared knowledge of the other's effort costs, the probability distribution of outcomes, and the other's rationality. Lastly, with knowledge of the agent's preferences and rationality, principals offer agents contracts that align as closely as possible with their own interests while still being acceptable to the agent. Miller asserts that these assumptions lead to two outcomes: principals offer agents performance-based incentives to overcome the problem of agent shirking, but even

so, agents always engage in some shirking that limits the overall efficiency of the relationship for principals.

In short, the classic principal-agent problem asserts that agents will always shirk to some degree, either by not working as hard as they could, or by deliberately undermining their principal's interests when doing so advances their own. In the context of states working with PMSCs to help win civil conflicts, states represent principals with an interest in defeating rebels, and PMSCs represent agents with an interest in increasing profits. Because of these differing interests, and because PMSCs perform specialized military and security tasks that client states have limited knowledge of, PMSCs will always have some incentive to shirk their responsibilities to client states, either by not working hard in order to minimize costs and risk, or by deliberately making conflicts last longer in order to increase the payout they receive from the conflict. If PMSCs never shirked, they would simply add to their client's military capabilities and help win the conflict. But since PMSCs can be relied on to shirk to some degree, whether or not they help states win civil conflicts depends on how much they can shirk without detection.

Why Delegate?

A question that immediately arises when discussing agency problems is that, given the incentives agents have to shirk, why do principals delegate at all? This question is especially relevant for states experiencing civil conflicts, because if PMSCs can be expected to engage in activities that delay victory over rebels, then there seems to be little reason to hire them. The most common answer to this question is that some tasks are too costly or too difficult for principals to perform autonomously (Sappington 1991, 45). In such cases, it can be more cost-effective for a principal to pay the agency costs that come with delegating. Agency costs are the

sum of the costs associated with monitoring an agent, providing an agent with incentives not to shirk, and the residual costs of the shirking that the agent still manages to get away with (Jensen and Meckling 1976). When the expected utility of delegating is less than the expected utility of performing a task autonomously, it is rational for principals to delegate despite knowing that agents will likely get away with some shirking. This is the functional explanation for delegating. Rational principals seek the most efficient tradeoffs between the expected costs, risks, benefits, and probability of successfully completing a task through various means, and sometimes delegating to an agent is the most cost-effective option. In the contexts of states working with PMSCs, sometimes hiring a PMSC to help defeat rebels is expected to be less costly and less risky than trying to fight rebels alone, even if PMSCs have incentives not to work hard to deliver victory.

It is important to note though that the factors principals weigh when deciding whether to delegate are not always strictly economic. Principals might also delegate to protect themselves from outcomes that might damage their public image (Hood 2002; Flinders and Buller 2006; Bartling and Fischbacher 2012). This argument is especially applicable to political principals who are accountable to other actors. When a politician needs a task completed that they know will be unpopular with their constituents, they have incentives to delegate the authority and even the decision to complete the task to an agent, thereby distancing themselves from the task and any unpopular outcomes that might follow from it. This strategy is also useful for principals engaged in illicit activity. When principals need to get something done that is illegal, delegating can be an effective way to complete the task while maintaining a degree of plausible deniability. This is one of the primary reasons why governments sponsor foreign insurgents or terrorist

organizations (Byman and Kreps 2010; Salehyan et al. 2011). When governments do not want to risk engaging their rivals directly, supporting insurgent or terrorist organizations can be a way for governments to hurt their rivals while maintaining a low risk of direct conflict.

Principals may also delegate in order to increase the probability that a task will be carried out over the long-term (Moe 1989; Pollack 1997; Moravcsik 2000; Keefer and Savage 2001; Hawkins et al. 2006). This logic applies well to political principals seeking to bring about long-term benefits to their constituents at the expense of short-term benefits. For example, if a particular economic policy is expected to bring about long-term growth while hurting powerful industries in the short-term, politicians have incentives to delegate responsibility for economic policies to well insulated bureaucratic agencies that do not need to fear electoral backlash. The U.S. government delegating the power to set interests rates to the Federal Reserve is one example of this. Such delegation protects changes in interest rates from being sporadically reversed by taking the authority over interest rates out of the hands of popularly elected officials. Political principals who are aware that their tenure in office may not be guaranteed over the long-term may also delegate authority to agents who can continue carrying out policy objectives even after the original political principal has lost power.

In sum, the general explanations for why principals delegate tasks to agents focus on principals' searching for efficient tradeoffs between political and economic costs of performing tasks autonomously versus delegating to an agent, and the probability that a task will be successfully carried out if it is handled autonomously versus if it is delegated to an agent. If performing the task autonomously is expected to be costlier or riskier than delegating, or the probability that a task will be successfully carried out is expected to be lower if it is handled

autonomously, then the principal is more likely to delegate even though it knows that the agent will get away with some shirking. In the context of states experiencing civil conflicts, states can be expected to work with PMSCs when they calculate that the economic and political costs and risks associated with delegating tasks to PMSCs are lower than the costs and risks of trying to fight rebels on their own.

This logic leads to several hypotheses for when states experiencing civil conflicts can be expected to work with PMSCs, several of which fit well with the existing theories on why developed democracies sometimes work with PMSCs. First, more threatening rebels should increase the likelihood that states will work with PMSCs. When rebels are weak, poorly equipped, do not control territory, or are operating away from large population centers, states should feel more secure and be less likely to calculate that it is worth paying the agency costs associated with hiring PMSCs. When rebels are strong, well-armed, control territory, or are operating close to large population centers, states should be more likely to calculate that it is worth paying the agency costs that come with hiring PMSCs, lest they risk losing the conflict. This leads to hypothesis H1.

H1: When states experiencing civil conflicts face more threatening rebels, they are more likely to work with PMSCs.

Second, states with limited military resources should be more likely to work with PMSCs. As discussed, delegating always comes with agency costs, and principals will only pay these agency costs when they are expected to be lower than the costs of handling a task autonomously. Thus, states that are better equipped to handle civil conflicts autonomously should see fewer benefits from hiring PMSCs, while states with more limited military

capabilities should be more likely see benefits from hiring PMSCs. This logic fits well with the functionalist explanation for why states hire PMSCs, as discussed in the previous chapter, leading to hypotheses H2.

H2: States experiencing civil conflicts with fewer military resources are more likely to work with PMSCs.

Third, higher levels of risk that military leaders will be scrutinized and punished by domestic actors for their conduct during civil conflicts should motivate states to work with PMSCs. When domestic actors are motivated to punish state leaders, such as when civilian casualties are high, or have more opportunities to punish states leaders, as in democracies, states should be more likely to delegate tasks to PMSCs because doing so allows them to distance themselves from negative outcomes that follow from their policies. By the same logic, when a state's conduct during a civil conflict is more easily observed, as it is when media groups operate more freely in a country, it will have incentives to distance itself from the conflict by hiring PMSCs to perform unpopular tasks. This logic fits well with the political-instrumentalist explanation for why states hire PMSCs discussed in the previous chapter, leading to hypothesis H3.

H3: States that face greater scrutiny from domestic actors for their conduct in civil conflicts are more likely to work with PMSCs.

Lastly, if the idea that paying agency costs can be more cost-effective than handling tasks autonomously is the fundamental reason why principals delegate to agents, then states that are more inclined to view military and security outsourcing as efficient should be more likely to hire PMSCs. This argument fits well with the ideationist explanations for why states hire PMSCs.

States that are more influenced by neoliberal norms should be predisposed to expect greater benefits from delegating military and security tasks to private actors. As I argued in the previous chapter, states experiencing civil conflicts are unlikely to be committed to neoliberal norms, but that does not mean that such states are not influenced by such norms or are not pressured to abide by such norms from outside actors. Many states rely on foreign aid from western governments, or borrow from the World Bank or International Monetary Fund (IMF). Such actors have a history of pressuring states to adopt neoliberal reforms. This leads to hypothesis H4.

H4: States experiencing civil conflicts that receive aid from actors committed to neoliberal norms are more likely to work with PMSCs.

Together, factors related to how threatening rebels are to states, the military capabilities of states, the probability that domestic actors will scrutinize military leaders for their conduct during conflicts, and the degree to which states rely on support from neoliberal actors should all affect how likely states experiencing civil conflicts will hire PMSCs. These hypotheses follow from existing principal-agent theory on why principals delegate tasks to agents, and fit well with existing theories on when developed democracies work with PMSCs. These hypotheses are summarized in Table 1.

Table 1. Summary of Hypotheses One Through Four

When do states experiencing civil conflicts work with PMSCs?		
	Key Factor	**Hypotheses**
H1	The level of threat that rebels present to states.	*When states experiencing civil conflicts face more threatening rebels, they are more likely to work with PMSCs.*
H2	The amount of military resources available to states.	*States experiencing civil conflicts with fewer military resources are more likely to work with PMSCs.*
H3	The amount of scrutiny that military leaders receive from domestic actors.	*States that face greater scrutiny from domestic actors for their conduct in civil conflicts are more likely to work with PMSCs.*

H4	The amount of aid that states receive from neoliberal actors.	*States experiencing civil conflicts that receive aid from actors committed to neoliberal norms are more likely to work with PMSCs.*

Minimizing Shirking

The next issue that arises when discussing agency problems is how principals can minimize agent shirking. Since shirking is the act of an agent undermining their principal's interests, how well states can minimize PMSC shirking ought to affect when working with PMSCs helps advance their interest in winning the conflict. As discussed, there is always some degree of inefficiency in every principal-agent relationship, but that does not mean that principals cannot not try to minimize that inefficiency in order to maximize benefits. This is especially true for states working with PMSCs. States may accept that PMSCs will pursue their own interests, knowing that accepting this fact is better than fighting rebels alone, but that does not mean that they will not use whatever means available to them to motivate PMSCs to work hard to help deliver victory. Scholars who study principal-agent models argue that there are numerous ways for principals to minimize agent shirking, but each method comes with its own costs and requires certain capabilities. Whether principals utilize these methods depends on whether they bring about efficient tradeoffs between the costs of agent shirking and the costs of trying to minimize agent shirking, whether they lower the probability that the task will be completed, and whether principals have that capabilities to utilize them at all. The methods focus on reducing two factors that allow and give agents incentives to shirk: goal conflicts with principals and information advantages over principals.

The most prominent strategy principals use to minimize shirking is to offer agents performance-based incentives. This strategy emphasizes providing agents with incentives not to

shirk, as opposed to monitoring agents to catch shirking. According to Sappington (1991), the best way for a principal to ensure that agents work efficiently is to offer them franchise contracts. In a franchise contract, agents pay for the right to work for the principal and receive as payment a fixed percentage of whatever benefits they generate. Sappington uses the relationship between a landowner and a tenant farmer to illustrate this contract. The tenant farmer pays for the right to work land owned by the land owner, and in return he gets to keep a percentage of whatever profits he generates. In such an arrangement, the tenant farmer has every incentive to work as efficiently as possible because his profits are directly linked to his performance. In this way, when principals can provide agents with performance-based incentives that tie the benefits agents receive to their performance, agents have more incentive to work efficiently than they do when their benefits are not tied to their performance.

However, performance-based incentives are not applicable in every situation. One reason for this is that performance-based contracts are not desirable for risk-averse agents. Under performance-based contracts, agents bear all the costs associated with random events that might reduce production levels. For example, after paying a landowner for the right to work a piece of land, a lack of rainfall might reduce production levels to the point that the tenant farmer cannot make a profit. To solve this problem, risk-averse agents often demand that principals pay them according to a fixed flat rate. But as noted by Shavell, “setting the fee equal to a constant would leave him with no incentive to take effort” (1979, 56). If the tenant farmer knows that his profits will be the same no matter his level of production, he has no reason to work efficiently. Thus, when principals require agents to perform tasks where there is a high risk that costs could exceed

profits, principals often have to offer contracts that provide agents with less incentive to work efficiently in order to convince them to work at all.

Another problem with performance-based incentives is that an agent's performance can be hard to evaluate. This is especially true when desired outcomes are difficult to quantify (Feaver 2003). Feaver offers the example of evaluating scholarly contributions to an academic field, which is ultimately not something that can be directly measured. Another example is evaluating an athlete's commitment to staying in shape once signed to a contract. In such situations, principals must rely on proxy measures, such as the number of publications or conference presentations a scholar has, or the number of hours an athlete spends at the gym. Yet once proxies are established, agents have incentives to maximize them rather than focus on the true outcome desired by the principal. Academics who publish a lot and go to a lot of conferences may not be making significant contributions to their field, and athletes that spend a lot of hours at the gym may not be staying in shape, but because they maximize the indicators that their principals use to evaluate their performance, their shirking is difficult to detect. This problem can lower the efficiency of performance-based incentives because they only provide incentives for agents to maximize proxies rather than the true outcomes desired by principals.

For these reasons, states experiencing civil conflicts are limited in their ability to use performance-based incentives to make PMSCs work harder to deliver victory. There are a lot of factors that affect conflict outcomes besides the level of effort put in by PMSCs, so PMSCs are likely to be risk-averse and not accept performance-based payments. In addition, it is not clear how a state would measure PMSC performance to determine payments in the first place.

Regulatory principal-agent models, such as between bureaucratic agencies and their political principals, rely more on monitoring agents than on offering performance-based incentives (Mitnick 1980; McCubbins and Schwartz 1984; Waterman and Meier 1998). In regulatory principal-agent models, while agents often desire larger budgets, they may also desire greater political autonomy or greater control over policy. Agents may also possess objectives opposed to those of newly elected or appointed political principals, who in turn may lack the ability to dismiss bureaucratic agents in the same way that an employer can simply fire an employee. In such cases, principals have less ability to structure incentives in ways that align the agent's interests with their own. As such, the literature on regulatory principal-agent models focuses more on how principals can monitor their agents in order to reduce their information advantages. Since bureaucratic agents have expertise advantages over politicians and have a deeper knowledge of the organizational procedures necessary to implement policy, "they have both the opportunity and the incentive to manipulate politicians and processes for political gain" (Waterman and Meier 1998, 176). Minimizing the information advantages processed by bureaucratic agents is the most direct way for political principals to minimize such shirking. Since performance-based incentives are difficult to provide to PMSCs, states seeking to motivate PMSCs to help delivery victory in civil conflicts have to rely on monitoring strategies.

Yet monitoring is not costless. According to Mitnick, "principals must pay *specification costs* to identify acts of the agent that would satisfy the principal's preferences, and *policing costs* in monitoring and enforcing compliance" (Mitnick 1980, 150). Mitnick goes on to assert that principals only pay policing costs if they expect a net return. Monitoring agents always carries some costs, and a rational principal will not pay those costs if they exceed the expected

costs of agent shirking. There are, however, different types of monitoring strategies, which offer principals different tradeoffs between the costs and the effectiveness of monitoring. In their study on Congressional oversight, McCubbins and Schwartz (1984) identify two different types of monitoring techniques: police patrol oversight and fire-alarm oversight. Police patrol oversight is "comparatively centralized, active, and direct" (McCubbins and Schwartz 1984, 166). It involves the principal actively and closely examining the activities of its agent and punishing the agent when it is caught shirking. In the context of Congressional oversight, examples of police patrol oversight include reading bureaucratic documents, commissioning scientific studies, conducting field observations, holding hearings, and directly questioning people affected by the agent's activities. In contrast, "fire-alarm oversight is less centralized and involves less active and direct intervention than police patrol oversight" (McCubbins and Schwartz 1984, 166). Fire-alarm oversight involves the principal establishing a system of "rules, procedures, and informal practices that enable individual citizens and organized interest groups to examine administrative decisions (sometimes in prospect), to charge executive agencies with violating congressional goals, and to seek remedies" (McCubbins and Schwartz 1984, 166). In other words, fire-alarm oversight relies on making it easy for third parties to make principals aware of agent shirking.

Both monitoring strategies have their strengths and weaknesses. Police-patrol oversight allows principals to directly observe their agent's activities and detect shirking before it becomes too costly, but direct observation can be costly and may interfere with the agent's work. Fire-alarm oversight is less costly because it relies on third-parties to call attention to agent shirking, but it is less precise, gives up control of monitoring to outside actors, and only comes into effect after an agent's shirking has become severe enough that third-parties feel motivated to report it.

Which strategy a principal chooses to emphasize depends on how much they can afford to spend on monitoring, how costly agent shirking would be for the principal, and what actors and institutions are in place to implement and facilitate monitoring strategies.

Another strategy for reducing agent shirking is delegating tasks to multiple agents and forcing them to compete. There are several competition-based strategies that principals can use to minimize agent shirking, all of which relate to reducing agents' information advantages. One strategy is for principals to link an agent's benefits to reports from other agents on how efficiently they predict they can work, working less with agents that make below average predictions (Sappington 1991, 53). For example, when bargaining with a landowner, a tenant farmer working in isolation has incentives to understate how productive he can be in order to reduce the landowner's expectations. In contrast, when a tenant farmer knows that the amount of land they will be allowed to work will be reduced if their predicted level of production is lower than the average predicted level of production, they will have incentives not to exaggerate about conditions that might make them less productive. In this way, principals can play agents against each other and get them to reveal exactly how efficient they can be. Principals can also reward agents when they provide credible information on when other agents are shirking (Holmstrom 1982; Sappington 1991). This strategy makes it difficult for agents to collude and agree to underreport their predicted levels of production, because as long as one agent determines that the reward for tattling is greater than what they would earn through colluding with other agents, collusion is not possible. The presence of multiple competing agents also allows principals to compare the relative performance of their agents operating under similar conditions, again reducing the information advantage an agent working in isolation would have over how

productive it can be under normal conditions (Nalebuff and Stiglitz 1983; Mookherjee 1984). Thus, delegating tasks to multiple agents and tying their payments to their relative performance motivates them to reveal how efficiently they can work under similar conditions, thereby reducing the information advantages they have over principals.

The number of different principals agents work for at one time also affects how likely they are to shirk, both because this number affects how well agents can align their activities with the interests of any single principal, and because this number influences how well agents can maintain their information advantages. McCubbins et al. (1987; 1989) explore this problem in the context of bureaucratic agencies operating in the U.S. In the U.S., the President, both houses of Congress, and any number of relevant bureaucrats all share responsibility to monitor and sanction bureaucratic agencies. If any one of these principals benefit from an agency's shirking, it will block efforts to monitor and sanction that agency, allowing it to shirk uninhibited. Thus, increasing the number of principals an agent answers to increases the likelihood that at least one principal will protect the agent's information advantage. In addition, agents working for multiple principals are "forced to make compromises and trade-offs favoring some principals over others" (Moe 1987, 482). When multiple principals exist, it is likely that the principals will have different interests (Waterman and Meier 1998, 179). As a result, "no matter how well the monitoring systems are designed or how well the principals structure incentives, one or perhaps both principals will be dissatisfied with the relationship" (Waterman and Meier 1998, 179). Lastly, when principals share the responsibility to monitor and sanction an agent, monitoring and sanctioning can present collective action problems, since reduced shirking is a good that cannot

be kept from the other principals. Thus, reducing the number of principals that agents answer to reduces their ability and motivation to shirk against any single principal.

In sum, according to the conventional principal-agent literature, minimizing agent shirking relies on two general strategies: structuring incentives in ways that tie agents' benefits to their performance, thereby reducing goal conflict between principals and agents; and reducing information asymmetries between principals and agents through monitoring, promoting agent competition, and reducing the number of principals agents answer to. When principals can reduce goal conflict and information asymmetries between themselves and agents, agents will have less incentive and less opportunity to shirk. As discussed, states are limited in their ability to offer performance-based incentives to PMSCs, so I focus on monitoring, competition, and reducing the number of principals PMSCs answer to when analyzing what makes them work harder toward delivering victory.

Several factors might affect how well client states can monitor PMSCs. One is the state's ability to gather information from areas where PMSCs are operating. In order to utilize police-patrol oversight strategies that rely on direct forms of observation, governments need to be able to send qualified personnel to where PMSCs work and communicate with these personnel regarding what PMSCs are doing. This can be made more difficult when conflict zones are located away from major population centers, terrain is rough and difficult to access, or if the country does not have the infrastructure necessary to send information quickly across the country. Under such conditions, governments will be less capable of collecting and processing the information necessary to establish whether PMSCs are shirking. The same is true for fire-alarm oversight strategies. For third parties to alert client states to PMSC shirking, they must be

able to access areas where PMSCs operate and send information back out. Without access to conflict zones and the ability to send information from these zones back out, client governments should find it much more difficult to monitor PMSC activity, making it easier for PMSCs to maintain their information advantages and not work very hard to help delivery victory. This leads to hypothesis H5.

H5: The easier it is to send information in and out of conflict zones, the less likely that agent shirking will take place, and thus the more likely hiring PMSCs will help states achieve victory.

There are also factors that affect the ability of client states to utilize fire-alarm oversight specifically. Since fire-alarm oversight depends on third-parties reporting agent shirking, its effectiveness depends on the presence of organized third-parties with an interest in reporting agent shirking. Without such third-parties, there would be no one to pull the figurative alarm and alert the principal to trouble. Thus, the ability of client governments to utilize fire-alarm oversight to monitor PMSCs will depend on the presence of organized actors operating in or around conflict zones with an interest in reporting on PMSC activities. Media organizations fit this description very well. Media organizations have incentives to discover illicit behavior and make it public, especially regarding issues that have piqued the world's interest. As such, one can expect that PMSCs operating in conflicts that occur in countries that are friendlier to the press should be easier to monitor and less likely to shirk. This leads to hypothesis H6.

H6: The higher the level of press freedom in a country experiencing a civil conflict, the more likely hiring PMSCs will help states achieve victory.

The number of governments that PMSCs answer to should also influence their performance. As discussed, when multiple principals have authority over an agent, the more likely there are to be conflicts of interest between principals that inhibit their ability to monitor. Moreover, when working for multiple principals, agents are more likely to need to shirk against one principal to satisfy the interests of another principal. Different principals may also be responsible for monitoring and offering incentives. In the context of states working with PMSCs in civil conflicts, the government responsible for paying PMSCs may not be the same government that monitors or consumes their services. In contrast, PMSCs that are only answerable to a single government that pays, monitors, and consumes their services should be both easier to monitor and have less incentive to shirk overall. This theory leads to hypothesis H7.

H7: When PMSCs work for multiple states in the same civil conflict, the less likely hiring PMSCs will help states achieve victory.

Advocates of PMSCs also claims that "by forcing PMCs into competition with one another for states' business, the market itself provides incentives for PMCs and their employees to act as diligent agents of the state" (McCoy 2010, 675). Simply having multiple agents makes it easier for principals to determine what level of efficiency they can realistically expect from agents, providing agents with disincentives to try and get away with shirking. The presence of multiple agents also provides PMSCs with incentives to tattle on each other in order to gain rewards from the principal, reducing information asymmetries between governments and PMSCs. Akcinaroglu and Radziszewski (2012) test this argument, finding that conflicts that

include more PMSCs end sooner than those that include fewer PMSCs. This theory leads to hypothesis H8.

H8: The more PMSCs that are operating in a conflict, the more likely PMSCs will help states achieve victory.

State Capacity and the Principal-Agent Relationship

As discussed in Chapters One and Two, there is a significant difference between relationships between states experiencing civil conflicts and their use of PMSCs and those typically studied in the principal-agent literature. In conventional principal-agent relationships, principals can typically punish agents that are caught shirking, either through their own means or by calling upon a well-functioning state. In stable developed democracies, employers can legally fire or demote underperforming employees, corporations can sue contractors for failing to uphold contracts, and politicians can fire bureaucrats, cut their funding, or reduce their role in policy-making. In these cases, the dominance of the principal over the agent is assumed, and as such, the idea that an agent would continue to get away with shirking at a high level even after being caught is not considered. Yet in relationships between governments, militaries, and other security providers, the dominance of the principal cannot be assumed, because there are dramatic differences between the ability of civilian leaders to carry out acts of organized violence compared with those of military and security providers.

Feaver (2003) notes this problem in his study of civil-military relations in the U.S. during and after the Cold War, where he applies principal-agent theory to the civil-military problematique. Feaver argues that, “managing the coercive power of the military—making sure that those who govern do not become a tyranny to the governed—is the central focus of civil-

military relations" (Feaver 2003, 4). On one hand, civilian leaders must provide their military agents with sufficient capabilities and freedoms so that they can effectively protect civilians and the government. On the other hand, civilian leaders must maintain control of their militaries in order to ensure that they will not use their capabilities and freedoms to threaten the government. Feaver's solution to this problem incorporates insights from the principal-agent literature that suggest harmonizing incentives and monitoring are both necessary to prevent military agents from shirking. However, Feaver argues that an additional variable is also important for civilian governments seeking to control military agents: "how agent's behavior is a function of their expectation that they will be punished if their failure to work is discovered" (Feaver 2003, 56). An agent that does not believe that it is likely to be punished or does not believe that punishment will be very severe, has less incentive to keep shirking at a low level where it is unlikely to be detected. As such, Feaver argues that it is necessary for civilian leaders to make it clear to military personnel that they will be punished if they are caught shirking.

Feaver's contribution to principal-agent theory, that agents' expectations of punishment matter just as much as the principal's ability to monitor and harmonize interests with agents, can help explain why states experiencing civil conflicts often cannot control PMSCs. Considering that such states cannot even maintain control of their own territory, most of them likely lack sufficient capabilities to make PMSCs believe that they will be punished if they engage in activities that delay government victory. Yet as Feaver notes, the military in the U.S., as well as in other developed democracies, often faithfully carry out their orders and work to hide shirking from political principals. Such behavior does not seem to make sense when political principals

lack the material capabilities to threaten military personnel. If the military wants to shirk, there is little that a democratic government can do to force them to accept punishment.

Feaver's answer to this puzzle is that, in developed democracies, the military's expectation of punishment rests on a normative foundation. Military agents believe that they have a moral obligation to follow orders from civilian leaders and accept punishment when it is handed down. Feaver calls this normative foundation a "prerequisite for democratic civil-military relations" (Feaver 2003, 90). Yet since PMSCs are independent corporations with no inherent ties to national military hierarchies or civilian governments, the norm that military and security personnel are duty bound to accept punishment from clients is likely to be weak, or missing among PMSCs. As noted in the previous chapter, PMSCs are mercenary-like actors, meaning that they are less motivated by a sense of cause or duty and more motivated by the pursuit of profits. As such, the ability of states experiencing civil conflicts to punish PMSCs rest entirely on their material capabilities. This leads to hypothesis H9.

H9: PMSCs are less likely to help weaker states win civil conflicts than they are stronger states.

Together, factors related to the ease with which information can be sent in and out of conflict zones, levels of press freedom, the number of states PMSCs work for, the number of PMSCs working for the state, and the material capabilities of states should all affect whether PMSCs help states win civil conflicts. These hypotheses are summarized below in Table 2.

Table 2. Summary of Hypotheses Five Through Nine

When do PMSCs help states win civil conflicts?		
Number	**Key Factor**	**Hypotheses**
H5	Ease with which information is sent in and out of conflict zones.	*The easier it is to send information in and out of conflict zones, the more likely hiring PMSCs will help states achieve victory.*
H6	Level of press freedom in a country.	*The higher the level of press freedom in a country experiencing a civil conflict, the more likely hiring PMSCs will help states achieve victory.*
H7	Number of states that PMSCs work for in the same country-year.	*When PMSCs work for multiple states in the same civil conflict, the less likely hiring PMSCs will help states achieve victory.*
H8	Number of PMSCs working for the state.	*The more PMSCs operating in a conflict, the more likely hiring PMSCs will help states achieve victory.*
H9	The capabilities of states to punish PMSCs.	*PMSCs are less likely to help weaker states win civil conflicts than they are stronger states.*

Conclusion

In conclusion, since relationships between states and PMSCs resemble principal-agent models, I argue that insights from the existing principal-agent literature reveal when states experiencing civil conflicts hire PMSCs, and how states experiencing civil conflicts can increase the likelihood that a PMSC will help deliver victory. Regarding the first question, I argue that whether or not states hire PMSCs depends on whether they calculate that doing so carries fewer costs and risks than trying to fight rebels alone. Regarding the second question, I argue that those strategies applicable to conventional principal-agent relationships aimed at reducing goal conflict and information asymmetries between client states and PMSCs should help reduce shirking by PMSCs, making them work harder to bring their client state victory. In addition, based on insights from Feaver's analysis of the relationship between the U.S. government and military, I argue that PMSCs should be more likely to help stronger states win civil conflicts than weaker

states. In the following chapters, I will lay out my methodology for testing these hypotheses and present my results.

CHAPTER FOUR

METHODS AND DATA FOR STATISTICAL ANALYSES

Having developed my hypotheses, I move to discussing how I will test them. Since I ask two distinct questions, I need methodologies appropriate for each. I have argued that the literature on PMSCs needs more quantitative studies to help develop general theories regarding the causes and outcomes of states fighting civil conflicts working with PMSCs. To investigate the conditions under which states experiencing civil conflicts work with PMSCs, I combine data from the Private Security Database (Branović 2011a), the Non-State Actor Data v3.4 (Cunningham et al. 2013), and the Uppsala Conflict Data Program Conflict Termination dataset v2.2015 (Kreutz 2010) to develop a dataset on what years a set of thirty-one states worked with PMSCs during civil conflicts from 1990 to 2007. With this dataset, I use logistic regression to determine what indicators correlate with states working with PMSCs in general, with PMSCs that perform military tasks, and PMSCs that perform police tasks. In order to investigate when PMSCs help states win civil conflicts, I use the same primary sources for longitudinal data on the duration and outcomes of civil conflict dyad-episodes. With this data. I run competing risks hazard models to discover how working with PMSCs under various conditions affects the "risk" that states will win civil conflicts. In this chapter, I discuss why I chose these methodologies, my primary data sources, the structure of my two datasets, and how I operationalize my variables.

Methodologies

Logistic Regression

I first explore the choice by states to employ PMSCs. The best method for testing under what conditions states experiencing civil conflicts work with PMSCs is to use logistic regression. Utilizing logistic regression requires me to have a dichotomous dependent variable, which is appropriate, because I am not asking what factors determine how many PMSCs states work with, but what factors cause states to make the initial decision to outsource military or security services to private actors during a civil conflict. A state experiencing a civil conflict either does outsource tasks to PMSCs in a given year, or it does not. I want to understand what factors affect this choice.

Logistic regression is not, however, appropriate for answering my second question regarding how PMSCs affect conflict outcomes. Nor is any form of linear regression. As discussed, it is possible that working with PMSCs helps bring about victory for states experiencing civil conflicts, but it may also be possible that PMSCs delay state victory, depending on the conditions under which they operate. Regardless, the basic question I am asking is how different factors affect the duration until state victory in civil conflicts. Data that treats the duration until some event as the dependent variable, otherwise known as duration data, does not lend itself to linear regression for several reasons.

One reason is the problem of censored data. According to Box-Steffensmeier and Jones, "censoring occurs whenever an observation's full event history is unobserved" (Box-Steffensmeier and Jones 2004, 16). The most common form of censoring is right-censoring, in which the end of a process or event occurs after the observation period. Right-censored data are

problematic for linear regression models because linear regression is not capable of distinguishing between uncensored and right-censored cases. For example, if two conflicts began in the fifteenth year of a twenty-year observation period, and one ended at the end of the observation period, linear regression models would treat both conflicts as having lasted five years. This is clearly a problem, because the conflict that had not finished may continue on for any number of years. As such, any correlations drawn between a set of covariates and the conflict duration times using linear regression would be misleading.

A similar problem to right-censoring is the issue of left-truncation, which occurs "when history prior to the first observation point is unobserved" (Box-Steffensmeier and Jones 2004, 16). Using the same example study as above, if some conflicts began prior to the twenty-year observation period, those cases would be left-truncated. As with right-censoring, linear regression models are not capable of distinguishing left-truncated cases from those that started at the beginning of the observation period. If two conflicts both ended in the fifth year of an observation period, but one of those conflicts had been ongoing prior to the observation period, linear regression would treat both conflicts as having lasted five years when one had clearly lasted longer. Again, were one to use linear regression with such cases, correlations drawn between covariates and conflict duration times would be misleading.

Another problem with applying linear regression to duration data is that it is not capable of accounting for time-varying covariates. Time-varying covariates are variables that change value overtime, such as state capacity, etc. My main explanatory variable, the presence of PMSCs working for the state in a civil conflict, is time-varying, as are many of my explanatory variables. Yet linear regression, "implicitly treats all covariates as if they are time-invariant"

(Box-Steffensmeier and Jones 2004, 19). As such, researchers attempting to study relationships between time-varying covariates and duration times cannot use linear regression.

Survival Analysis

There are, however, statistical models that are capable of handling duration data. These models fall within a set of methods widely known as survival analysis (Box-Steffensmeier and Jones 2004). Survival analysis is applicable in any field concerned with questions related to the timing of events. What factors determine when incumbents leave office? How long can governing coalitions stay together? What can be done to bring about the end of violent conflicts? These questions are not merely concerned with *if* certain events happen, but also *when* they happen. The timing of events is the outcome of interest. As such, when utilizing survival models, the dependent variable is the duration of time units spend in one state before transitioning into another.

With data on how long subjects survive in a particular state during an observation period, researchers are able to calculate several pieces of information (Box-Steffensmeier and Jones 2004, 12-3). The first are distribution and density functions, which tell researchers the probability of an event of interest occurring at a given point in time during the observation period. Next are survivor functions, which tell researchers the proportion of cases that survive past any given point in time during the observation period. Lastly, researchers are able to calculate hazard rates, which denote "the rate at which units fail (or durations end) by *t* given that the unit had survived until *t*," *t* representing any given point in time during the observation period (Box-Steffensmeier and Jones 2004, 14). According to Box-Steffensmeier and Jones, "most analyses using duration data tend to model the hazard rate" (Box-Steffensmeier and Jones

1997, 1419), rather than distribution, density, or survivor functions. The reason for this is because hazard rates denote the risk of something happening given that it hasn't happened yet, which provides information that is useful going forward. Someone studying how long incumbents stay in office may have an academic interest in what percentage of incumbents make it to a second or third term, but the more practical question is, given that a particular incumbent has remained in office so far, what level of risk do they face in the next election? Hazard rates are also conditional upon past events. Researchers don't just want to know what level of risk units face, but what factors can alter levels of risk.

Survival analysis is also capable of handling the problems of right-censored and left-truncated data. While it is always better to know the full history of every unit in a study, right-censored and left-truncated cases can still be used for constructing hazard rates (Box-Steffensmeier and Jones 2004, 17-18). According to Box-Steffensmeier and Jones, "uncensored cases contribute information regarding failure times (as the event of interest is experienced), while censored observations only contribute information on survival" (Box-Steffensmeier and Jones 2004, 18). Knowing some of a unit's survival time, even though you may not know its full survival time, still reveals that the unit survived for a certain amount of time during the observation period without experiencing the event of interest. For example, if two wars began in the fifteenth year of a twenty-year observation period, but only one ended by the twentieth year, the ongoing case still provides information on relationships between covariates and survival times for a five-year period. The researcher may not know how covariates correlate with the unit's survival time past that five years, but for those five years the covariates correlated with the event of interest not happening. In the same way, left-truncated cases have history prior to the

observation period, but information can still be gathered on how long left-truncated units survived during the observation period. Including the partial information from right-censored and left-truncated cases is better than the alternative of omitting such cases from the analysis. Doing so may "induce a form of case selection bias into the results" (Box-Steffensmeier and Jones 2004, 19).

Survival analysis can also handle time-varying covariates. This is done by structuring the data so that, instead of each subject receiving one row of data with one variable indicating its survival time, subjects are given multiple rows of data, one for each period that a time-varying covariate takes on a different value. This is called counting processes, or start stop data (Box-Steffensmeier and Jones 2004, 98). For example, if someone were conducting a study on how endorsements affect the duration of presidential campaigns, each candidate would not simply receive a single row in the dataset, because one row could not capture the changing number of endorsements a candidate has over the course of the campaign. Instead, each candidate would receive a row recording the amount of time between the beginning of their campaign and their first endorsement. Then, a new row of data would be created, marking the amount of time until the number of endorsements the candidate has changes, or the end of the campaign. This process would repeat every time the number of endorsements a candidate has changes until the campaign ends. Through this process, researchers can calculate how variation in time-varying covariates affect hazard rates.

Using survival analysis to calculate hazard rates for when states win civil conflicts is the best methodology available for me to test when PMSCs help states win civil conflicts. This assertion is supported by the fact that survival analysis has been widely used to study how other

factors affect civil conflict duration and outcomes, such as rebel strength and interests (Collier et al. 2004; Buhaug et al. 2009; Cunningham et al. 2009; Wucherpfennig et al. 2012), state capacity and regime type (De Rouen Jr and Sobek 2004; Cunningham et al. 2009), third-party aid and intervention (Balch-Lindsay and Enterline 2000; 2008; Cunningham 2006; 2010), war fighting tactics (Balcells and Kalyvas 2014), and geography (Rustad et al. 2008; Buhaug et al. 2005; Buhaug et al. 2009). Thus, because it is capable of handling duration data and is already widely used in the conflict resolution literature, I use survival analysis to investigate when PMSCs increase or decrease the risk that states win civil conflicts, given that they have not yet achieved victory.

Competing Risks

Yet state victory is an outcome for civil conflicts that is by no means guaranteed. In the Uppsala Conflict Data Program's Conflict Termination Dataset (UCDP), civil conflicts can be coded as ending because of a ceasefire, a negotiated settlement, a government victory, a rebel victory, low activity (annual casualties fall under 25) or one of the conflicting parties transforms into a different actor by breaking apart or combining with another group (Kreutz 2010). Event history processes where multiple types of events can occur to end a process are said to have "competing risks problems" (Box-Steffensmeier and Jones 2004). Standard survival analysis models are not capable of handling competing risks problems, because they merely reveal what factors affect when processes end, not what factors affect when processes end in a particular way.

In this study, I use the latent survivor time approach to competing risks. This model assumes that there is a potential transition time for each type of possible outcome a subject can

experience, but only the shortest transition event is observed. In other words, "the remaining failure times are latent, but are assumed to exist" (Box-Steffensmeier and Jones 2004, 168). Although individual civil conflicts only experience one type of ending, the latent survivor time approach assumes that all types of endings would eventually occur on a long enough timeline. When testing what factors affect the timing of specific types of outcomes, "the overall survivor function can be partitioned into marginal survivor functions," each corresponding to one of the possible outcomes (Box-Steffensmeier Jones 2004, 168). If a case does not experience the type of outcome being studied, it is treated as being right-censored. This method allows me to investigate whether PMSCs affect the risk of state victory in civil conflicts without removing those conflicts that did not end in state victory from my analysis. In addition, it allows me to identify covariates that might affect the timing of different types of civil conflict outcomes in different ways. For example, it is plausible that when rebels have access to foreign aid, they will feel more confident meeting government forces in battle, increasing the risk that the conflict will end in a military victory for one side, while decreasing the risk that the conflict will drag on until a negotiated settlement is reached. For these reasons, the latent survivor time model is well suited for examining whether PMSCs hasten or delay state victory in civil conflicts under different conditions.

Primary Data Sources

My two datasets are constructed with data taken from three primary sources: The Private Security Database (PSD); the Non-State Actor Data version 3.4 (NSA); and the Uppsala Conflict Data Program's Conflict Termination Dataset (UCDP). Since these sources form the foundation

of the two datasets, I devote this next section to outlining how they were constructed and why they are reliable sources of data useful for answering my two questions.

Private Security Database

The PSD serves as my source for data on the activities of PMSCs working for states experiencing civil conflicts. According to its manual, the PSD "collects data on the use of Private Military and Security Companies (PMSCs) by public actors (governments and international organizations) in failing or collapsed states, and asks in general who consumed what kind of private security" (Branović 2011b, 1). The set of thirty-two states included in the PSD are all states that experienced periods of state failure or collapse in at least one year between the years 1990 and 2007. These states were identified by relying on three indicators from the Political Instability Task Force (PITF) database: MAGAREA; MAGFAIL; and MAGVOIL (Marshall et al. 2009). MAGAREA indicates the percentage of a state's territory that is affected by war. MAGVOIL indicates the degree of control states have over political institutions in disputed areas. MAGVOIL indicates the degree to which non-state actors use violence to challenge state authority. The PSD is composed of those thirty-two states that achieved the highest score in at least one of these three indicators in at least one year, and observes all of these states for the entire eighteen-year period between 1990 and 2007. A complete list of these states is contained in Table 3. None of these states are included in the PSD because they hired PMSCs, but because they can fairly be said to have experienced state failure or collapse in at least one year between 1990 and 2007.

Table 3. States in the Private Security Database

Afghanistan	Croatia	Nigeria
Albania	Ethiopia	Peru
Algeria	Georgia	Philippines
Angola	Guatemala	Rwanda
Azerbaijan	Guinea-Bissau	Sierra Leone
Bosnia	Iraq	Somalia
Burundi	Côte d'Ivoire	Sudan
Cambodia	Lebanon	Tajikistan
Colombia	Liberia	Uganda
Congo-Brazzaville	Mozambique	Yugoslavia (Serbia+Kosovo)
Congo-Kinshasa	Nepal	

These states are a suitable sample of states for which to test my hypotheses because all but one of them experienced a civil conflict between 1990 and 2007. According to the UCDP, Albania did not undergo any civil conflicts during this period, and for this reason I do not include it in my analysis, as I am focused on states' relationships with PMSCs during civil conflicts. Moreover, these states come from all five major continents and have diverse cultural and historical backgrounds, which helps prevent selection bias, controls for factors not included in my datasets, and supports the external validity of my study.

The PSD defines PMSCs as "private business entities that deliver to consumers a wide spectrum of military and security services" (Branović 2011b, 3). To be recorded as a PMSC in the PSD, an entity must be commercial, benefit-oriented companies, that fit the following criteria: (1) market-oriented logic of action (economic; business-management); (2) high degree of professionalization (official headquarter, business structure, trained military staff); (3) organized under private law; (4) legally registered; (5) contracted to perform a task related to the

process of implementing internal and/or external security policy goals by states and/or IOs; (6) contracted to perform a task equivalent to tasks usually provided by military or policing organizations. These criteria fit well with the criteria for PMSCs I developed in Chapter Two.

The creators of the PSD used a multi-step data collection strategy to gather information on PMSC activity in their sample of states. First, well-known reports and case studies offered by the literature on PMSCs were cross-checked against multiple sources before being included in the dataset. Second, LexisNexis was used to search all available English news sources, including major international newspapers like the *New York Times*, the *Washington Post*, *The Guardian*, *The Times* (London), *Newsweek*, *The Financial Times*, *The Economist*, and *Time* magazine, for stories about PMSCs in the states of interest. Specific terms and phrases were used to perform these searches, including military contractors, security contractors, military firm, security firm, military company, security company, military agency, security agency, military outsourcing, defense outsourcing, and mercenary. All of these terms were searched in conjunction with the word private and the name of the state of interest. Third, the data were supplemented by information from news services (Alertnet, IrinNews, CrisisWatch database, Human Security Gateway, BBC Monitoring), and regional internet gateways (AllAfrica.com, Africa Confidential, Reliefweb).

This data collection strategy is not perfect. PMSCs are notoriously clandestine entities that are not eager to share many of the details about their activities with the public. Governments also tend to avoid disclosing information about working with PMSCs. Indeed, as I've noted in the previous chapter, one of the reasons governments may like working with PMSCs is because they have a low profile and can perform secret or illicit tasks without drawing too much attention

to themselves or their clients. As such, a data collection strategy that relies on public records and media reporting to keep track of the presence and activities of PMSCs in civil conflicts "cannot account for contractual relationships that were kept secret and were not reported to the public" (Branović 2011b, 1). However, I believe that the PSD still offers reliable data on PMSC activities in states experiencing civil conflicts. First, as state struggling with political instability and civil conflict, it is not likely that the states in the PSD were in the position to prioritize secrecy over expediency. If a state is in a position where they need to sacrifice autonomy over their national security to private actors, there is likely a limit to how much effort they can put into keeping PMSCs activities secret, especially if such efforts have the potential to limit military effectiveness during a war. Second, PMSCs have an interest in demonstrating to outside actors that they are capable of handling the tasks given to them by their clients. While PMSCs may not always want to disclose information about the details of the tasks they perform, they do have an interest in letting the world know that they are active. Third, PMSCs that escape detection by outside actors are unlikely to be those that have a strong impact on the conflict. If a state suddenly starts winning battles, demonstrates improvements in military effectiveness, or inexplicably starts using new weapons and tactics, outside actors will likely take notice and search for explanations. Thus, the bigger the impact PMSCs have in a conflict, the more likely they will not be able to keep their activities secret. Fourth, as discussed as in Chapter Two, PMSCs operate in a highly regulated industry where their activities are monitored by multiple states and international organizations. As such, while the particulars of what PMSCs do in a civil conflict may not always be evident, their presence and basic mission is likely to eventually become public knowledge due to the number of actors committed to keeping track of them. For

these reasons, I agree with Branović that the PSD "can be used for representative analysis of the main trends and patterns of private security consumption by public actors in failing or collapsed states" (Branović 2011b, 1).

In addition to the country-year PMSCs operate in, the PSD contains additional indicators useful for testing my hypotheses. First, the PSD measures the type of tasks PMSCs perform using a 12-point scale, which "can be used in analogy to the tip of the spear logic, as well as a scale of organic core functions of military and policing organizations" (Branović 2011b, 5). A complete list of these tasks is contained in Table 4 (Branović 2011b, 6). As I will discuss in more detail later in this chapter, separating tasks in this way allows me to group PMSCs according to whether they perform military, police, or peripheral tasks. The PSD also distinguishes between PMSCs whose services are directly consumed by their client, and PMSCs that perform tasks for a third-party on behalf of their client. The client is the government or international organization that pays the PMSC for its services, but the client doesn't necessarily directly consume these services. For example, if the U.S. government hired a PMSC to help train an Afghani police unit, the PMSC would be performing the task for a third-party (the Afghan government) on behalf of their client (the U.S. government). The PSD makes sure to distinguish between these two types of relationships. Lastly, the PSD indicates how many PMSCs performed each type of task in each county-year. It does not, however, directly indicate how many PMSCs were working in a country-year overall. For example, if the PSD indicates that one PMSC was present in a country-year performing task 1, and one PMSC was in the same country-year performing task 2, it is possible that one PMSC was in the country-year performing two tasks, or two PMSCs were in the country-year performing one task each. I was able to get around this problem through gaining

access to company identification. The PSD user manual advises that, “due to legal issues the company names are not made public,” and that “researchers that want to differentiate the data by companies are asked to contact the project investigators” (Branović 2011b, 7). I did so, and was generously given the names of the companies working on each task in each country-year in the PSD, allowing me to count how many PMSCs were present in each country-year overall.

Table 4. PMSC Tasks in the Private Security Database

Scale	Task	Description
1	Combat and military operations	Armed private actors are directly involved in military operations and fighting
2	Military assistance	Private actors provide military training and consulting (e.g. tactics) to parties
3	Operational support	Private actors operate and/or maintain combat-related goods (e.g. weaponry, satellites) and/or fulfill certain functions in the command and control chain
4	Logistics support	Transportation of soldiers and/or combat-related goods
5	Intelligence	Private actors provide risk assessments, reconnaissance or translation services and/or are part of interrogations
6	Quasi-police tasks (prevention) and border patrol	Private actors provide services that would usually be ascribed to the police, including the safety of public places and/or protection of state and local borders
7	Security/protection (individuals and facilities)	Private actors provide (mobile) security for individuals and/or facilities; this task refers to protective services details
8	Police advice and training	Similar to military assistance, private actors provide training and/or consulting to police forces
9	Demining	Military and humanitarian demining for the destruction and removal of land and/or naval mines
10	Humanitarian aid	Private actors provide armed material or logistical services for humanitarian purposes, such as transportation of food in crisis zones
11	Weapons disposal/destruction	Deinstallation, destruction and disposal of warfare related goods and facilities
12	Facility and infrastructural build-up	Private actors construct and build military infrastructure such as military bases

In sum, the PSD provides reliable data on a set of thirty-one states that experienced civil conflict between the years 1990 and 2007 regarding how many PMSCs were in each country-year, who they were working for, who consumed their services, and what type of tasks they performed. As such, the PSD provides data necessary for me to test all my hypotheses regarding under what conditions states experiencing civil conflicts decide to work with PMSCs, and when PMSCs help such states win civil conflicts.

The Non-State Actor Dataset and the Uppsala Conflict Data Program

I use the Non-State Actor Data version 3.4 (NSA), updated with data from the UCDP Conflict Termination dataset v2.2015 (UCDP), as my primary sources for what years the states in the PSD were fighting civil conflicts, how the conflicts ended (if they ended by 2007), and what specific civil conflict-dyads were ongoing in each country-year. The NSA provides data on rebel groups that aren't present in the UCDP, making it useful for testing my hypothesis that states fighting civil conflicts are more likely to work with PMSCs when they are fighting more threatening rebel groups. The NSA also provides several useful control variables related to rebel group characteristics. Indeed, the reason the NSA was developed was to provide data on the military capabilities and political opportunities available to non-state actors in civil conflicts. According to Cunningham et al., "while previous studies have examined primarily the characteristics of governments or country-level economic and demographic factors, the NSA data allow scholars to incorporate critical information on the opposition side as well" (Cunningham et al. 2013, 517). Indicators for rebel strength, territorial control, organizational structure, and external support are all included in the NSA. In addition, the NSA disaggregates civil conflicts into civil conflict-dyads. Civil conflict-dyads are composed of a single state and a

single rebel group fighting the state, while a civil conflict in general may be composed of multiple rebel groups all fighting a state together. Disaggregating civil conflicts into civil conflict-dyads is useful for me because it allows me to detect when working with PMSCs might end some conflict-dyads, even if the entire civil conflict does not end. This is a more precise way to measure what effects PMSCs have on civil conflict outcomes. If a state hires PMSCs while fighting three rebel groups, and shortly after two of these groups are defeated while the civil conflict as a whole continues on with the third group, this still offers evidence that working with the PMSCs helped the state achieve victory in two cases.

However, the NSA does not always agree with the UCDP regarding when particular conflicts start, or how and when they end. For example, the NSA codes a conflict between Algeria and the rebel group Takfir wa'l Hijra as starting in 1990, while the UCDP codes the conflict as starting in 1991. In another example, the UCDP codes a conflict between Sudan and SLM/A as terminating in 2006, while the NSA codes it as terminating in 2007. The reasons for the discrepancies are not always clear. According to Cunningham et al., "the NSA data is coded to line up with the 2012 version of the UCDP Dyadic Dataset" (Cunningham et al. 2013, 520). However, when one reads the NSA casebook closely, it seems that a number of judgment calls had to be made regarding details related to the duration of certain conflict-dyads. One clear difference between the two datasets is that the NSA only codes a conflict as terminating due to low activity if annual casualty rates fall below 25 for two years in a row, whereas in the UCDP it is only one year. Whenever there are discrepancies, I defer to the UCDP since it is the most up to date dataset and is much more widely used than the NSA in the civil war literature.

Why Do States Hire PMSCs During Civil Conflicts? Data and Indicators

Now that I have discussed the primary sources for my two datasets, I move to discussing how I structure the data and what indicators I use to test my hypotheses. I start with the dataset testing the conditions under which states experiencing civil conflicts work with PMSCs. The unit of analysis in this dataset is the conflict-year. Each row of data represents one year in which one of the thirty-one states taken from the PSD engaged in a civil conflict between the years 1990 and 2007, for a total of 286 unique conflict-years. Each of these represents a conflict-year in which states choose whether or not to work with PMSCs.

Dependent Variables:

As discussed in the methods section of this chapter, the dependent variable used to examine my first question is dichotomous. A state either outsources military and/or security services to PMSCs in a particular conflict-year, or it does not. However, there are still multiple ways for me to measure whether outsourcing occurs. The most straightforward method is to create a dichotomous indicator based on data from the PSD which indicates if a state pays for and consumes the services of any number of PMSCs in a conflict-year. I do exactly this using an indicator I designed called *PMSC_Hired*, which is coded with a 1 if a state hires a PMSC to perform military (Tasks1-4) or police (Tasks 5-8) tasks, and a 0 otherwise. Since there are so few PMSCs that perform periphery tasks in my dataset (Tasks 9-12), I do not include them in my analysis.

A drawback of *PMSC_Hired*, however, is that it treats military and security outsourcing as the same. A state that hires a PMSC to perform combat and military operations is treated the same as a state that hires a PMSC to assist with base security. Yet participating in combat

operations and assisting with base security clearly very different types of tasks. Therefore, I also create two dichotomous indicators for whether states hire PMSCs to perform military tasks and police tasks, based on Avant's two "tip-of-the-spear" scales (Avant 2005). If a state works with PMSCs to perform tasks 1 through 4, those being combat and military operations, military assistance, operational support, or logistics support, I code a 1 for the variable *Military_Hired* and a 0 otherwise. These four types of tasks can be fairly characterized as core military tasks related to combat operations, and align with Avant's characterization of military tasks. If a state works with PMSCs to perform tasks 5 through 8, those being intelligence work, quasi-police tasks, security/protection, and police advice and training, I code a 1 for the variable *Police_Hired* and a 0 otherwise. These types of tasks can be fairly characterized as police style tasks, and align with Avant's characterization of police tasks. In utilizing these two indicators as dependent variables, I am able to differentiate what conditions lead to different types of military or security outsourcing, and in particular, identify what conditions correlate with state outsourcing core military functions, which offer the greatest risks and rewards for states fighting civil conflicts.

Hypotheses 1:

My first hypotheses, H1, is that states experiencing civil conflicts face more threatening rebels should be more likely to work with PMSCs. As such, I need indicators that measure how threatening rebel groups are to the states they are fighting. The first indicator I use is a modified version of an indicator from the NSA called *Rebstrength*, which is an ordinal measure that indicates whether the rebel group in a particular dyad-year is much weaker, weaker, at parity, stronger, or much stronger than the government. The relative strength of rebel groups was determined using information from the UCDP Conflict Encyclopedia, as well as "Keesing's

Record of World Events, news reports found through searches in Lexis-Nexis academic, and secondary academic sources about individual conflicts and countries to code this information" (Cunningham et al. 2009, 521). I modify *Rebstrength* into dichotomous indicator called *Reb_Strong*, coding a 1 if there is at least one rebel group that is stronger or much stronger than the government in a particular conflict-year, and a 0 if otherwise. I use an indicator that measures relative strength because I want to capture how powerful rebels are in a conflict-year compared to the state they are fighting. I made *Reb_Strong* dichotomous instead of utilizing the full five-point scale in order to simplify how to interpret possible correlations between this indicator and my dependent variables. With this indicator, I am able to determine whether there is a correlation between states working with PMSCs and states fighting rebel groups that are stronger than them.

The second indicator I use to measure rebel threat is *Reb_Num*, in which I simply code the number of separate civil conflict-dyads in a conflict-year based on the NSA data. Each conflict-dyad in a conflict-year represents a unique rebel group fighting the state. It stands to reason that, all else being equal, states are more threatened when they are fighting multiple rebel groups, as opposed to only one.

The third and fourth indicators I use to measure threat levels from rebels are related to whether or not rebels receive assistance from foreign states. The NSA includes a variable called *Rebsuport*, which indicates whether a rebel group receives alleged, explicit, or no support from a foreign state in a specific dyad-year. The NSA also includes a variable called *Rtypesuport*, which indicates what type of support, if any, a rebel group receives. Types of support range from endorsements, non-military, military, and troops. Since it is possible that a rebel group might receive multiple types of support from a foreign state, only the highest level of support is coded

for each dyad-year. I take information from both variables and create a dichotomous variable called *Reb_Mil_Aid*, which indicates whether at least one rebel group present in a particular conflict-year received explicit military aid from a foreign government. In addition, I also create a dichotomous indicator called *Reb_Interv*, which indicates whether an external state directly intervened in a conflict-year on the side of a rebel group by committing troops, according to the NSA and UCDP. With these two indicators, I am able to capture whether states were fighting at least one rebel group that received explicit military aid from a foreign state, or faced direct military intervention on the side of the rebels. I expect to find rebel groups that receive military aid from foreign states or receive assistance in the form of military intervention should be more threatening to states than those that do not.

The fifth indicator I use to measure threat levels from rebels is from the Conflict Site Dataset. The Conflict Site Dataset was designed to be an extension to the UCDP that provides coordinates for the conflict zones in states with ongoing conflicts from 1989 to 2008 (Dittrich and Hallberg 2012). Conflict zones are coded with center-point coordinates, plus a radius variable to denote spatial extent, and covers the area directly affected by a conflict. Civil conflict zone center-point coordinates are calculated using the locations of reported armed encounters between government and rebel soldiers, the locations of territories occupied by rebels, and the location of rebel bases. With this data on conflict zone center-points, I calculate the distance between conflict zones and state capital cities in particular conflict-years. These data provide a rough indicator reflecting how close a civil conflict is to the political center of a country in particular year. It is plausible that the closer a conflict zone is to a state's capital city, the more threatened states are by rebel activity. However, I do not code the literal distance between

conflict zone center-points and capital cities because I do not expect that threat levels to states increase at the same rate as distance from conflict zones decreases. A conflict moving from 100 to 50 kilometers away from a capital represents a much greater increase in threat than a conflict moving from 500 to 450 kilometers away from a capital, even though the change in distance is the same. Therefore, I designed an ordinal variable called *Dis2Cap_lag*, which indicates whether a conflict zone in a particular conflict-year was within 50 kilometers (coded as 6), 100 kilometers (coded as 5), 200 kilometers (coded as 4), 400 kilometers (coded as 3), 800 kilometers (coded as 2) or more than 800 kilometers (coded at 1) away from the state's capital city, lagged by one year. This indicator allows me to test whether conflicts that take place closer to capital cities motivate states to hire PMSCs, while considering that changes in the distance between capital cities and conflict zones matter more the closer the conflict zone is to the capital. This variable is lagged by one year in order to prevent reverse causation occurring between PMSCs being hired and the location of conflict zones. In country-years where the previous year had no ongoing civil conflict, *Dis2Cap_lag* is coded as 0.

The sixth and final indicator I use to measure threat levels from rebels reflects whether at least one rebel group in a conflict-year controls physical territory. The NSA includes a variable called *terrcont*, which indicates whether the rebel group in a dyad-year controls physical territory or not. Using *terrcont*, I create a dichotomous variable called *Terr_Control*, which indicates whether a state is fighting at least one rebel group that controls territory in a given year. I expect that when a rebel group controls physical territory in a country, it presents a greater threat to the state than it would if it did not control any territory, because territory provides rebels with a base of operations and control over natural resources and civilians.

In sum, I have six separate indicators that measure the level of threat that states engaged in civil conflicts face from rebel groups: *Reb_Strong*, which indicates whether a state is fighting a rebel group that is stronger than it; *Reb_Num*, which indicates the number of rebel groups a state is fighting; *Reb_Mil_Aid*, which indicates whether a state is fighting a rebel group that receives explicit military aid from a foreign government; *Reb_Interv*, which indicates whether a state is fighting a rebel group that is being supported by a direct military intervention by a foreign state; *Dis2Cap_lag*, which indicates how far conflict zones are from capital cities; and *Terr_Control*, which indicates whether the state is fighting a rebel group that controls territory. I believe that higher values for these indicators all reflect higher levels of threat from rebels for states engaged in civil conflicts.

Hypotheses 2

My second hypothesis, H2, is that states experiencing civil conflicts with fewer military resources should be more likely to work with PMSCs. As such, I need indicators that measure the amount of military resources available to states fighting civil conflicts. However, indicators that might seem like obvious choices, such as those reflecting military spending, troop levels, military technology, or state capacity are not available for several of the thirty-one states from the PSD. This is due to the fact that the PSD is comprised of relatively weak and unstable states, which are the most difficult states to collect data from, and the least adept at gathering and reporting data themselves. As such, I use three indicators that indirectly reflect the amount of military resources likely available to the states in my dataset. The first is called *log_GDPpc*, which simply indicates the log of a state's GDP per capita in each conflict-year according to the

2013 Maddison Project Database (Bolt and Van Zanden 2014)[1]. This indicator captures the size of each state's economy. While it is true that correlations between GDP per capita and military spending are likely heteroscedastic, due to wealthy states having the option not to spend much on their military, poorer states have a lower limit to how much they can spend on their military. Because of this lower limit on possible military spending, and because my dataset is populated by poorer states, I expect a state's GDP per capita to be a relatively accurate indicator for how much the states in my dataset can afford to spend on military resources.

The second and third indicators are dichotomous indicators called *Gov_Mil_Aid*, and *Gov_Interv*, indicating whether a state receives explicit military aid from a foreign state, and whether a foreign state directly intervenes in a civil conflict on the side of the state, respectively. These indicators were constructed in a similar fashion as the indicators *Reb_Mil_Aid* and *Reb_Interv*, and use data from the NSA dataset. It stands to reason that states fighting civil conflicts that receive explicit military aid from other states should be better equipped than those that do not. It also makes sense that when foreign states intervene in a civil conflict on the side of the state, the state should be better equipped than states that fight alone.

These three indicators, *log_GDPpc*, *Gov_Mil_Aid*, and *Gov_Interv*, are all related to the amount of military resource states can bring to bear when fighting civil conflicts. Higher GDP per capita, receiving military aid, and fighting alongside another state should all correlate with having more available military resources than lower GDP per capita, fighting without outside aid, and fighting alone. Thus, even though these indicators are not ideal, due to data restrictions, they are the best indicators available for testing my second my hypothesis.

[1] I use the 2013 Maddison Project Database because the World Bank does not have official GDP per capita data for some of the states in my analysis, while the Maddison Project specializes in estimating GDP per capita across time.

Hypotheses 3

My third hypothesis, H3, is that states that face greater scrutiny from domestic actors for their conduct in civil conflicts should be more likely to work with PMSCs. As such, I need indicators that reflect conditions related to how well domestic actors can monitor civil conflicts, and that reflect the level of interest domestic actors have in civil conflicts. The first two I use are press freedom and democracy scores. I expect that when the press has greater freedom to operate in a country, monitoring state activity in civil conflicts will be easier for media organizations. In such an environment, it is plausible that states will be more motivated to hire PMSCs because the press has less access and interest in PMSC activity, and states want to handle their military and security affairs without facing media scrutiny. Where press freedom is more restricted, states have less need to use PMSCs in order to hide their activities. The precise indicator I use to measure press freedom is the Freedom House Press Freedom Index, which is an annual report on media independence around the world. Published since 1980, it assesses the degree of print, broadcast, and digital media freedom for all thirty-one of the countries in my dataset and provides numerical scores reflecting the legal environment for the media, political pressures that influence reporting, and economic factors that affect access to news and information. Countries are coded a 1 if their press is considered not free, a 2 for partly free, and a 3 for free. I rename this indicator *Free_Press* for my dataset.

I also expect that when a state is more democratic, domestic actors outside the executive branch and the military such as the press, legislators, courts, and civil society actors, will all have greater access to information on the state's military and security activities as well as greater influence over military and security policy. It is plausible that in such an environment, in order to

avoid scrutiny from such actors, states will be more motivated to work with PMSCs. The democracy indicator I use is based on Polity IV's *Polity2* score. Polity IV is the most widely used dataset throughout the civil conflict literature for measuring democracy levels. The *Polity2* indicator is calculated by subtracting a countries autocracy score (*Autoc*) from its democracy score (*Democ*), both of which also come from the Polity IV dataset. The conventional wisdom regarding *Polity2* scores is that states that earn between a 6 and a 10, on a scale that ranges from -10 to 10, are considered democracies. I follow the conventional wisdom by creating a dichotomous indicator called *Democracy*, which codes a 1 if a country earns a 6 or higher on their *Polity2* score in a given year, and a 0 otherwise.

The third indicator I use to test my third hypothesis is related to the number of battle-related deaths that occur in a conflict. All else being equal, I expect that when battle-related deaths are low, outside actors will have less interest in a conflict and therefore be less interested in scrutinizing state activity. When battle-related deaths are high, it will draw more outside attention, increasing the motivation state leaders have to hide their activities. In order to create an indicator that reflects annual battle-related deaths in a conflict, I utilize data from the UCDP Battle-Related Deaths Dataset 18.1 (Pettersson 2019). This dataset records the total number of battle-related deaths resulting from intrastate conflicts and internationalized intrastate conflicts in each conflict-year. Using these data, I create an indicator called *log_BattRD_lag*, which indicates the log of the total number of battle related deaths resulting from intrastate conflicts and internationalized intrastate conflicts in the previous calendar year of a conflict-year. Using an indicator that lags annual battle-related deaths by one year allows me to eliminate the possibility of reverse causation between hiring PMSCs and casualty rates.

The fourth indicator I use to test my third hypothesis is called *War_Time*, which indicates how many continuous calendar years each country has experienced ongoing civil conflict, regardless of which specific rebel groups the state is fighting, according to the NSA and UCDP. I include this indicator because I believe that domestic actors are more likely to scrutinize state leaders the longer civil conflict persists in their country, which may cause state leaders to hire PMSCs to order to avoid this scrutiny. If a country experiences more than a one calendar year gap between conflict periods, I count the new conflict period as unique and start *War_Time* back at 1. I also include two additional indicators to measure war time: *War_Time_sq*, which is simply *War_Time* squared, and *War_Time_cu*, which is simply *War_Time* cubed. I include these following Carter's (2006) argument that doing so is a simple and effective way to estimate the true effect that time has on the hazard of an outcome.

These four indicators, *Free_Press*, *Democracy*, *log_BattRD_lag*, and *War_Time*, all reflect conditions related to the opportunities and motivations domestic actor have to scrutinize state behavior in civil conflicts, and are based on widely used sources of data. I expect that states with higher *Free_Press* scores, those states coded as democracies by the *Democracy* indicator, and conflict-years with higher values in *BattRD_lag* and *War_Time* will be more inclined to work with PMSCs because conditions in those countries makes it difficult for the state to use national military personnel to carry out tasks autonomously. Thus, all four indicators are appropriate for testing my third hypothesis.

Hypotheses 4

My fourth hypothesis, H4, is that states experiencing civil conflicts that receive aid from actors committed to neoliberal norms should be more likely to work with PMSCs. As such, I

need indicators that reflect how much economic or military aid the states in my dataset receive from powerful neoliberal actors. The two indicators I use reflect whether states owe money to the World Bank or the IMF in a given year. As discussed in Chapter Two, Musah (2002) argues that the World Bank and the IMF pressure states to reduce government spending in an attempt to foster economic growth, which is a hallmark of neoliberal economic policy. Other scholars from outside the PMSC literature, such as Alfredo Filho and Johnston (2005) and Peet (2009) also discuss how the World Bank and the IMF operate within a neoliberal economic worldview, which emphasizes reducing government interference in the economy and allowing the private sector to deliver public goods. Moreover, both of these institutions often make their loans conditional upon the expectation that the states will implement neoliberal economic reforms (Hurd 2017). As such, I expect that states that are indebted to the World Bank or IMF are likely to be under more pressure to cut government spending, limit government activity to what neoliberal theory considers to be core functions, and be more open to allowing private actors to deliver public goods. I therefore use data from the World Bank to create two indicators. The first, *WB_Debt*, indicate whether a state owes money to the International Bank for Reconstruction and Development or the International Development Association, both of which are part of the World Bank, in a particular conflict-year. The second, *IMF_Debt*, indicates whether a state owes money to the IMF in a particular year.[2] These two indicators reflect whether states receive support from two powerful neoliberal actors, which makes them useful for testing my fourth hypothesis.

[2] I use the presence of loans to the World Bank and IMF instead of how large the loan is relative to a states GDP because neither the World Bank or the Maddison Project Database provide GDP data for all of the country-years in my dataset.

Controls

Since this is the first Large-N study examining what factors correlate with states working with PMSCs during civil conflicts, there aren't many control variables established within the literature on PMSCs concerning this question. However, Chojnacki et al.'s (2009) study on mercenary involvement in civil wars from 1950 to 2000 does suggest that three variables unrelated to my hypotheses need to be included in my analysis. As discussed in Chapter Two, Chojnacki et al. build their hypotheses on the principle of supply and demand, expecting that mercenaries will only participate in a conflict when there are actors capable of paying for their services. Their results provide some support for this belief, as they found that countries with diamond mines are more likely to see mercenary activity. This result suggests that clients with access to valuable natural resource can credibly offer payment to PMSCs, which is supported by critics of PMSCs who point out they often have connections with oil and mineral extraction companies. As such, I include two indicators to control for the presence of valuable natural resources in a state. The first, *Diamonds*, indicates whether or not lootable or non-lootable diamonds were known to be present in a state, regardless of mining or production levels, according to the Conflict Diamonds Dataset (Gilmore et al. 2005). The second, *Oil*, indicates whether or not onshore or offshore deposits of oil or natural gas are known to be present in a state according to the Petroleum Dataset (Lujala et al. 2007).

The third control variable I include follows from Chojnacki et al.'s supply and demand theory rather than being based on a specific variable included in their analysis. I call this variable *Failed_State*, which is a dichotomous variable that indicates whether or not there is a complete collapse of central authority in a country. This variable is based off the indicator SF from the

Polity IV data. I include *Failed_State* as a control variable because state failure could plausibly affect both the supply and demand for PMSCs in a country. If a state has completely collapsed, then there may be no entity in the country with the ability to formally hire PMSCs, which means that there could be no demand for PMSC services. Moreover, it is unlikely that PMSCs would supply their services behalf of any remnant of the state that still exists, because this entity would likely be unable to pay them. Alternatively, if a state's formal authority has completely collapsed, but a remnant of the state still exists, this remnant would likely be extremely desperate and willing to promise PMSCs a high price for their services. As such, it is important to control for state failure in a country when analyzing what factors motivate states to hire PMSCs.

I acknowledge that some of these indicators are relatively crude, but I hope to overcome this fact by using multiple indicators to test each hypothesis. Moreover, since this study is the first attempt to conduct a Large-N study on what factors correlate with states working with PMSCs during civil conflicts, even if only a few indicators correlate with working with PMSCs, I will still have made moved forward our understanding of PMSCs. I expect that more precise indicators can be developed as the amount of data available on PMSCs expands. Summary statistics for these indicators can be seen below in Table 5.

Table 5. Summary Statistics for Predictors of When States Hire PMSCs

Variable	Observations	Mean	Std. Dev.	Min	Max
PMSC_Hired	286	.1153846	.3200455	0	1
Military_Hired	286	.0839161	.2777479	0	1
Police_Hired	286	.0629371	.2432754	0	1
Reb_Strong	286	.034965	.1840132	0	1
Reb_Num	286	1.706294	.8970295	1	5
Reb_Mil_Aid	286	.0454545	.208664	0	1
Reb_Interv	286	.0769231	.2669364	0	1
Terr_Control	286	.548951	.4984702	0	1
Dis2Cap_lag	286	3.090909	1.649706	0	6
Log_GDPpc	286	7.132665	.8054899	5.313206	8.808369
Gov_Mil_Aid	286	.1293706	.336198	0	1
Gov_Interv	286	.1328671	.3400261	0	1
Free_Press	286	1.293706	.463884	1	3

Democracy	286	.1608392	.3680265	0	1
War_Time	286	12.73427	9.861818	1	39
War_Time_sq	286	259.0769	322.1716	1	1521
Wa_Time_cu	286	6321.483	10464.36	1	59319
Log_BattRD_lag	286	5.65475	2.473021	0	10.81354
WB_Debt	286	.8356643	.3712295	0	1
IMF_Debt	286	.7762238	.4175044	0	1
State_Failure	286	.1538462	.3614336	0	1
Diamonds	286	.2972028	.4578277	0	1
Oil	286	.7482517	.4347781	0	1

When Do PMSCs Help States Win Civil Conflict? Data and Indicators

I now move to discussing the dataset and individual indicators I use to test when PMSCs help states win civil conflicts. Each row of data represents one year in which one of the thirty-one states taken from the PSD engaged in a civil conflict with a specific rebel group between the years 1990 and 2007, for a total of 489 unique dyad-years. The unit if analysis in this dataset is the dyad-episode, or in other words, distinct periods of conflict between a state and a specific rebel group. Dyad-episodes that take place between the same disputants are treated as distinct if the first episode formally ended through a negotiated settlement, a ceasefire, or military victory, or if the two conflict-episodes are separated by at least one year of low activity. There is a total of 157 dyad-episodes in the dataset, spanning from one year to eighteen years.

Dependent Variables

The dependent variable in this dataset is the risk of state victory in a dyad-episode. Because I am using survival analysis with this dataset, my dependent variable is calculated using two indicators. The first indicator is *Sequence*, which indicates how many calendar years an ongoing dyad-episode occurred in within the eighteen years covered in my dataset.[3] The second indicator is *Term_Type*, which indicates whether and how a dyad-episode terminated in a

[3] Using calendar years is a relatively blunt way to measure time, but most of data in my analysis are annual data, so I cannot use smaller units of time.

particular year. There are six ways a dyad-episode can terminate in my dataset: peace settlement, ceasefire, government victory, rebel victory, low activity, or one of the disputants merged or split into a different actor. I code these termination types from the UCDP. With these two indicators, I am able to calculate the duration until government victory was achieved for each of my dyad-episodes. If a dyad-episode terminated through some other means besides government victory, or was still ongoing after 2007, it is treated right-censored. Dyad-episode duration varies from occurring all within one calendar year to spanning the entire eighteen-year period covered in my dataset, providing plenty of variance in my dependent variable. With data on the duration until state victory for all of my dyad-episodes, I can calculate hazard rates and determine how various factors related to states working with PMSCs influence the risk of state victory.

Measuring PMSC Activity

Since my remaining six hypotheses are all related to how PMSCs affect the risk of state victory in civil conflicts, I address how I measure PMSC activity in specific dyad-years before moving on to discussing how I measure the indicators used to test each individual hypothesis. I utilize the same coding scheme as I do when testing hypothesis related to when states experiencing civil conflicts work with PMSCs. First, I utilize *PMSC_Hired*, which codes a 1 if a state pays for and consumes the services at least one PMSCs in a conflict-year, and codes a 0 if a state does not. I also utilize *Military_Hired* and *Police_Hired*, which indicate whether a state did or did not hire at least one PMSC to perform military or police tasks, respectively. Using these three indicators, I am able to determine whether working with PMSCs under various conditions affects the risk of state victory in those against specific rebel groups, and whether PMSCs that perform certain types of tasks affect the risk of state victory differently.

Hypothesis 5

My fifth hypothesis, H5, is that hiring PMSCs will help states achieve victory when it is easier to send information in and out of conflict zones. To test this hypothesis, I need indicators that reflect how difficult it is for information to be sent in and out of conflict zones. The first indicator I use, *Mountains*, indicates what percentage of a country's land area is covered by mountainous terrain, rounded to the nearest percentage (Fearon and Laitin 2003). I expect that higher levels of mountainous terrain should make it more difficult for vehicles and personnel to move across the country. In addition, higher levels of mountainous terrain should make it more difficult to build, maintain, and use the infrastructure necessary for telecommunications. Mountainous terrain is also known to block radio waves and inhibit contact with satellites. Although *Mountains* is a country-level indicator that is constant overtime, and therefore does not specifically indicate whether a conflict zone is located in mountainous terrain, it still provides some information regarding the kind of terrain all actors have to contend with when operating in a country.

The second indicator I use is called *Electricity*, which indicates the percent of the total population with access to electricity in a country-year, rounded to the nearest percentage, according to the World Bank. This indicator is meant to provide a rough indication of how easy it is to transfer information across a country-year via telecommunications. Country-years where a higher percentage of the population has access to electricity are more likely to have the infrastructure necessary to send information across the country from within or nearby conflict zones. Country-years where a smaller percentage of the country has access to electricity are less likely to have such infrastructure in place. Like *Mountains*, *Electricity* is a country-level

indicator, and therefore does not provide specific information regarding whether actors operating in or near actual conflict zones have access to electricity. Nevertheless, it provides a general indication of how well wired a country is and how capable state and non-state actors are of transferring information across a country via telecommunications.

The third indicator I use to is *Dis2CapKm*, which uses the Conflict Site Dataset to measures the distance between capital cities and conflict zones in kilometers. I expect that the farther a conflict zone is from a state's capital, the more difficult it is to transfer information between state leaders and those actors operating in conflict zones. *Dis2CapKm* is a conflict-level indicator, meaning that if multiple rebel groups are participating in a conflict, it includes data from all of the rebel groups to calculate a single conflict zone, instead of indicating the general areas where each specific rebel group operated in in a specific country-year. In my dataset, each dyad-year is assigned the score received by the conflict-year associated with it. Since the Conflict Site Dataset does not provide the data necessary to disaggregate conflict zones into dyad-conflict zones, this is the best method available for examining whether the distance between a state's leadership and the rebels they are fighting affects how much PMSCs are actually working to help defeat specific rebel groups.

All three of the variables, *Mountains*, *Electricity*, and *Dis2CapKm*, reflect information related to how well information can be transferred in and out of conflict zones. As such, these indicators reflect information related to how easy it is for states to monitor PMSC activity in their country. When testing my fifth hypothesis, I interact these three indicators with my indicators for PMSC activity to see how the affects PMSCs have on the risk of state victory vary. I believe that higher values for *Mountains* and *Dis2CapKm* should correlate with PMSCs

decreasing the risk of government victory, while higher values for *Electricity* should correlate with PMSCs having a more positive effect on the risk of government victory.

Hypothesis 6

My sixth hypothesis, H6, is that PMSCs will help states achieve victory when there is greater press freedom in a country experiencing a civil conflict. To test this hypothesis, I use *Press_Freedom*, one of the indicators I use to test my third hypothesis. This indicator provides a score for each country-year according to how free its press is. Scores range from 1 (Not Free), to 2 (Partly Free), to 3 (Free), and come from the Freedom House Press Freedom Index. Higher levels of press freedom in a country should make it easier for media groups to alert the state when PMSCs engage in activities that might delay state victory. When testing my sixth hypothesis, I interact *Press_Freedom* with my variables for PMSC activity to see whether the affect PMSCs have on the risk of state victory varies depending on how free the press is.

Hypothesis 7

My seventh hypothesis, H7, is that when PMSCs work for multiple states in the same civil conflict, the less likely hiring PMSCs will help states achieve victory. To test this hypothesis, I use data from the PSD to compare PMSCs that work for and are paid by the state experiencing the civil conflict, and PMSCs that work for the state experiencing the civil conflict but are paid by another actor. I expect that when a PMSC works for one state but is paid by another actor, it will be more difficult to help the state experiencing the civil conflict because they also have to satisfy the interests of their real client, the one paying them. In addition, PMSCs that work for one state but are paid by another actor should find it easier to shirk, because there are more opportunities for the PMSCs to rely on one of their principals to protect

them from punishment by the other. To test this hypothesis, I create three new indicators. The first, *Foreign_Paid_PMSC*, indicates whether at least one PMSC working for the state experiencing the civil conflict while being paid by another actor is present in a conflict-year. I also disaggregate *Foreign_Paid_PMSC* into *Foreign_Paid_Military* and *Foreign_Paid_Police*, to indicate whether at least one PMSC working on military or police tasks, respectively, are being paid by a foreign actor. These indicators allow me to compare how PMSCs that work for and are paid by the state experiencing a civil conflict affect the risk of state victory differently than PMSCs that are paid by foreign actors. I include one of these indicators in each of my models, matching them with the corresponding indicator for PMSC activity outlined above.

Hypothesis 8

My eighth hypothesis, H8, is that more PMSCs operating in a conflict increase a PMSC's ability to help states achieve victory. Here, I utilize the data I received from the creators of the PSD on the specific number of PMSCs in each country-year and their tasks. With these data, I create three new indicators: *PMSC_Total*, *Military_Total* and *Police_Total*. With *PMSC_Total*, I am able to control for the total number of PMSCs working for and being paid by the state experiencing a civil conflict, and see whether higher values for this indicator alter the affect *PMSC_Hired* has on the risk of state victory. Likewise, *Military_Total* and *Police_Total* allow me to control for the presence of the total number of PMSCs performing military and police tasks respectively in a civil conflict, and see whether higher values alter the affect hiring PMSCs to perform military or police functions in general has on the risk of state victory. It is important to include these latter two variables, because PMSCs that perform different types of tasks may

not be in competition with one another, so a high number of PMSCs operating in a country-year may not mean that they are actually competing if they are performing different types of tasks.

Hypothesis 9

My ninth hypothesis, H9, is that PMSCs are less likely to help weaker states win civil conflicts than they are stronger states. With this hypothesis, I measure state weakness in absolute terms, not relative to rebel groups. This is because how powerful rebel groups are compared to the state they are fighting does not have anything to do with whether the state has the capabilities to punish PMSCs. As previously discussed, indicators such as those reflecting military spending, troop levels, military technology, or state capacity are not available for several of the thirty-one states from the PSD. As such, I use the same indicators I use to indirectly measure my states' military resources: *log_GDPpc*, which indicates a state's GDP per capita in each conflict-year according to the 2013 Maddison Project Database; a dichotomous indicator called *Gov_Mil_Aid*, which indicates whether a state receives explicit military support from a foreign state according to the NSA Database; and a dichotomous indicator called *Gov_Interv*, which indicates whether a foreign state directly intervenes in a civil conflict on the side of the state according to the NSA Database. I also use *Electricity*, which measures how what percentage of the country has access to electricity, as an alternative to *log_GDPpc* for how developed a state is. These indicators provide a decent approximation of how capable states are of punishing PMSCs caught shirking. States that are wealthier, more developed, receive military aid from foreign states, or are directly supported by foreign troops should have more resources available to monitor and punish PMSCs than poorer states fighting alone and without aid. When testing my ninth hypothesis, I interact

these indicators with my indicators for PMSC activity to see how the affects PMSCs have on the risk of state victory vary.

Controls

The literature on civil conflict duration and outcomes has established many standard control variables. Since my own dataset is based largely on the NSA data, I take many of these control variables from Cunningham et al. (2009), which was the first study to utilize the NSA data and include variables on the characteristics of rebel groups in addition to conflict and country level indicators. In this study, the authors assert that once a civil conflict has begun, "violence will continue until one side is defeated, or until actors agree to come to the bargaining table and find a negotiated settlement" (Cunningham et al. 2009, 573). As such, at every point in a conflict, both disputants choose between agreeing to a settlement or continuing to fight. Cunningham et al. go on to discuss how both military and political factors contribute to this choice. They divide military factors between those that increase rebel effectiveness in targeting the vital interests of the government, and those that prevent rebel defeat. The political factors they examine are those that relate to whether rebels (or potential rebels) anticipate being able to achieve their goals through non-violent means. I borrow this framework when selecting my control variables, focusing on those that relate to rebel offensive effectiveness, rebel defensive effectiveness, opportunities for achieving rebel goals without further violence, and motivation for achieving rebel goals without further violence.

The first two control variables I include are called *EthFrac*, which indicates the level of ethnic fractionalization in a country according to Alesina et al. (2003), and *EthnicClaim*, which is a dichotomous variable that indicates whether there is direct evidence that a rebel group in a

dyad-year makes an exclusive claim to fight on behalf of an ethnic group, according to the ACD2EPR v.1.2 dataset (Wucherpfennig et al. 2012). Wucherpfennig et al. argue that when civil conflicts are fought along ethnic lines, both sides are more reluctant to agree to peace settlements and are more willing to pay the costs of continued fighting. Their analysis of 290 rebel organizations in 198 conflicts between 1946 and 2005 support these arguments

The next two control variables I include are dichotomous variables called *Gov_Con* and *Terr_Con*, which indicate whether a conflict-dyad's incompatibility is governmental or territorial, according to the UCDP Dyadic Dataset version 19.1 (Pettersson et al. 2019). In the civil conflict literature, governmental conflicts are understood to be fights over who controls the state, and territorial conflicts are understood to be fights over rebel demands for secession or autonomy (Gleditsch et al. 2002). It is possible that conflicts could be over both control of the state and over control of specific pieces of territory. There is no consensus in the civil conflict literature regarding how these two types of conflicts might affect civil conflict duration and outcomes differently. Buhaug (2006) argues that stronger rebel groups are more likely to seek control the state, while weaker groups must settle for territorial concessions. Yet wars over territory tend to be fought along ethnic lines, which as discussed, may make them more difficult to resolve, especially if rebel groups are concentrated in specific regions and have control of valuable natural resources.

This leads to my next three control variables, which indicate whether valuable natural resources are present in conflict zones, sourced from Buhaug et al. (2009). *AllDrugs* is a dichotomous variable indicating whether or not plant cultivation used to produce drugs (opium poppy, coca bush, cannabis) took place in a conflict zone at the time of conflict outbreak.

HydroD is a dichotomous variable indicating whether or not oil or natural gas was produced in a conflict zone. *AllGems* is a dichotomous variable indicating whether or not alluvial diamonds or other gemstones such ruby, sapphires, opal, and jade are present in a conflict area. Together, these three indicators help reveal whether rebel groups that have access to valuable and easily extractable natural resources that can be used to finance their rebellions. According to Buhaug et al. (2009), when rebels have access to such resources, they can fight longer and have less reason to accept negotiated settlements.

The next two control variable I include relate to whether rebels have political opportunities to address their grievances with the state non-violently. *Democracy* is the same indicator used to test hypothesis three, indicating whether or not a state is a democracy (Polity IV, 2018) Democracies theoretically provide rebels with more opportunities to express their grievances through activities such as protests or voting, rather than by taking up arms. The next control variable is a dichotomous indicator called *Legal_Pol_Wing*, which indicates whether rebel groups have explicit link to a legal political party in their country, according to the NSA. Cunningham et al. (2009) argue that rebel groups associated with legal political parties should have more opportunities to try and resolve issues with the state non-violently, making it more likely that conflicts end more quickly with a peace settlement rather than through military victory by one side.

The next set of control variables related to the material capabilities of both the state and rebel groups, and are closely related to the indicators I used to test hypotheses one and two, except here the indicators reflect information about specific dyad-years instead of conflict-years. All of the following indicators come from the NSA dataset (Cunningham et al. 2013).

Reb_Strong indicates whether a state is fighting a rebel group that is stronger than the state. *Reb_Num* indicates the number of rebel groups a state is fighting including the rebel group in the dyad-episode. *Reb_Mil_Aid* indicates whether a state is fighting a rebel group that receives explicit military aid from a foreign government. *Reb_Interv* indicates whether a state is fighting a rebel group that is being supported by a direct military intervention by a foreign state. *Terr_Control* indicates whether the state is fighting a rebel group that controls territory. *Gov_Mil_Aid* indicates whether the state receives explicit military aid from a foreign government. *Gov_Interv* indicates whether a state is being supported by a direct military intervention by a foreign state. Cunningham et al. (2009) argue that stronger rebel groups, those that control territory, and those that receive help from foreign states should be able to target the state more easily and defend against the state. States that face fewer rebel groups and receive help from foreign states should be better able to target and defeat rebel groups. However, the addition of foreign states in a conflict also increases the number of "veto players" that must agree to any proposed peace settlement, decreasing the likelihood that a negotiated settlement can be reached (Cunningham 2010). Together, these indicators all reflect factors related to the offensive and defensive capabilities of the disputants. Summary statistics for these variables can be seen below in Table 6.

Table 6. Summary Statistics for Predictors of When PMSCs Help States Win Conflicts

Variable	Observations	Mean	Std. Dev.	Min	Max
PMSC_Hired	489	.1247444	.3307672	0	1
PMSC_Hired_Total	489	.2188139	.7377232	0	6
Foreign_Hired_PMSC	489	.1533742	.3607169	0	1
Military_Hired	489	.0920245	.2893566	0	1
Military_Hired_Total	489	.1288344	.4591587	0	5
Foreign_Paid_Military	489	.1554192	.3626749	0	1
Police_Hired	489	.0736196	.2614183	0	1
Police_Hired_Total	489	.1206544	.557882	0	5
Foreign_Paid_Police	489	.0511247	.2204777	0	1
Electricity	489	43.51125	39.74231	0	100

Mountains	489	31.56237	27.30821	0	81
Dis2CapKm	489	319.7975	285.0017	2	1650
Press_Freedom	489	1.298569	.4756553	1	3
logGDPpc	489	7.152828	.8136663	5.313206	8.808332
EthFrac	489	.6009065	.222699	.1314	.9302
EthnicClaim	489	.4478528	.4977825	0	1
Terr_Conflict	489	.2433538	.4295463	0	1
AllDrugs	489	.2351738	.4245417	0	1
HydroD	489	.6216769	.4854654	0	1
AllGems	489	.3292434	.4704197	0	1
Democracy	489	.198364	.3991761	0	1
Legal_Pol_Wing	489	.1840491	.3879211	0	1
Reb_Mil_Aid	489	.0327198	.1780845	0	1
Gov_Mil_Aid	489	.1002045	.30058	0	1
Reb_Gov_Aid	489	.0143149	.1189072	0	1
Reb_Interv	489	.0490798	.2162558	0	1
Gov_Interv	489	.1104294	.3137453	0	1
Terr_Control	489	.4376278	.4966025	0	1

Conclusion

The methods and data I utilize in this study represent what I believe to be the best currently available for testing my hypotheses across a broad set of cases. As previously noted, there are no broad studies that directly examine under what conditions states experiencing civil conflict work with PMSCs or when PMSCs help states win civil conflicts. As such, my study represents a first pass at answering these questions using quantitative methods. Yet due to data limitations, I am not always able to include indicators that directly reflect the underlying concepts contained within my hypotheses. I try to overcome some of these limitations by utilizing multiple indicators that I argue are still closely related with the underlying concepts. It is my hope that any statistically significant correlations that I find will motivate and inform future research on the corresponding hypotheses. I also hope that if my models do not reveal significant correlations, this will inspire further research to develop better methods and data for testing my hypotheses, rather than be taken as the final word regarding their plausibility. Early attempts to examine important issues using new techniques are always going to contain flaws,

but having accepted this, I believe that this study still offers a strong first test for my hypotheses. In the following chapter, I present the results of my analyses and discuss their implications.

CHAPTER FIVE

RESULTS

In Chapter Two, I argued that the existing literature on PMSCs has not sufficiently explored two questions: when do states fighting civil conflicts work with PMSCs, and when do PMSCs help states win civil conflicts. In Chapter Three, I develop four hypotheses for the first question, and five hypotheses for the second. All of these hypotheses are grounded in principal-agent theory, focusing on what factors cause principals to delegate tasks to agents, and what factors motivate and provide opportunity for agents to shirk. In Chapter Four, I outlined the data and methodology I used to develop statistical models in order to test these hypotheses. In this chapter, I present and discuss the results from these models. Results are presented in two sections: the first contains the results from logit models designed to test my first four hypotheses, and the second contains the results from my competing risk hazard models designed to test hypotheses five through nine. After my initial presentation of the results, I discuss their implications.

When do States Work with PMSCs?

In this section, I present and discuss the results from my logit models designed to test when states fighting civil conflicts work with PMSCs. In all models, the dependent variable is a dichotomous indicator that reflects whether states did or did not work with at least one PMSC in a particular country-year. However, each model looks at a different category of PMSCs. Model 1

tests what factors correlate with states working with at least one PMSC in general, while Model 2 and Model 3 look at what factors correlate with states working with PMSCs that perform military tasks and police tasks, respectively. As discussed in the previous chapter, I do not include PMSCs that perform what I call periphery tasks in my models because there are so few incidences of these types of PMSC activities. In all of these models, the country-year is the unit of analysis, and all country-years are clustered by country. I present the results from these three models starting with those that pertain to Hypothesis 1, and ending with those that pertain Hypothesis 4. The logit output for all three models can be seen in Table 7.

Table 7. Logit Models for States Working with PMSCs, 1990-2007

Variables	M1: PMSC_Hired	M2: Military_Hired	M3: Police_Hired	M4: Military_Hired
Reb_Strong	-0.130 (-0.11)	0.838 (0.91)	0 (.)	
Reb_Num	0.426 (1.47)	0.414 (1.88)	0.890* (2.20)	
Reb_Mil_Aid	-0.607 (-0.55)	-2.016* (-2.21)	2.274 (1.68)	
Reb_Interv	2.071 (1.67)	2.829* (2.00)	1.951 (1.05)	
Terr_Control	1.637* (2.23)	1.765 (1.60)	-1.062 (-1.83)	
Dis2Cap_lag	-0.553* (-2.32)	-0.438 (-1.88)	-0.404 (-1.22)	
Threat_Index				0.643* (2.30)
Log_GDPpc	-0.685 (-1.73)	-1.092* (-2.15)	-0.699 (-0.69)	-0.858 (-1.75)
Gov_Mil_Aid	-0.0479 (-0.05)	-0.0674 (-0.09)	-1.333 (-0.92)	0.429 (0.76)
Gov_Interv	0.781 (0.69)	0.900 (1.18)	1.982 (1.40)	0.399 (0.49)
Free_Press	1.089 (1.86)	-0.352 (-0.35)	3.111*** (3.59)	0.0665 (0.08)
Democracy	-1.679 (-1.89)	-0.181 (-0.12)	-2.394* (-2.12)	-0.934 (-0.70)
War_Time	-0.561 (-1.60)	-0.402 (-0.93)	-0.578 (-1.08)	-0.349 (-1.04)
War_Time_sq	0.0333 (1.46)	0.0216 (0.82)	0.0278 (0.75)	0.0146 (0.68)
War_Time_cu	-0.000455 (-1.13)	-.0000236 (-0.53)	-0.000275 (-0.40)	-0.0000862 (-0.23)
Log_Battrd_lag	0.197 (1.46)	0.0161 (1.14)	0.390 (1.87)	-0.0749 (-0.59)
WB_Debt	1.339 (0.63)	1.052 (0.47)	0.625 (0.48)	0.413 (0.21)
IMF_Debt	-4.063* (-2.05)	-3.514 (-1.45)	-7.746*** (-4.28)	-3.375 (-1.73)
State_Failure	-1.003 (-1.38)	-1.346 (-1.56)	0.106 (0.06)	-0.848 (-1.42)

Diamonds	1.802** (2.65)	2.070*** (3.30)	2.070*** (3.30)	2.444*** (4.09)
Oil	-2.540** (-3.19)	-1.432 (-1.86)	-7.348*** (-4.61)	-0.548 (-0.63)
_cons	3.735 (1.07	6.770 (1.22)	4.563 (0.70)	4.935 (1.42)
N	286	286	276	286

t statistics in parentheses
* p<0.05, ** p<0.01, *** p<0.001

Hypothesis 1

In Hypothesis 1, I predicted that when states experiencing civil conflicts face more threatening rebels, they should be more likely to work with PMSCs. This hypothesis receives very little support from Model 1. Only two factors, whether rebels control territory, and the distance between conflict zones and state capitals lagged by one year, have significant relationships with whether states work with PMSCs. Moreover, the distance between conflict zones and state capitals lagged by one year has the opposite effect that I expected. I predicted that when conflict zones are closer to state capitals, this would indicate a higher level of threat from rebels, motivating states to work with PMSCs out of desperation. Yet Model 1 suggests that the opposite is true: the further conflict zones are from state capitals in the previous year, the more likely states are to work with PMSCs. Examining the marginal effects that the indicator *dis2cap_lag* has on the predicted probability of states working with PMSCs reveals that when conflict zones are over 800 kilometers from capital cities, there is a twenty percent predicted probability that states will work with PMSCs, while there is only a five percent predicted probability when conflict zones are within one 100 kilometers of the capital city (see Figure 2). Only rebels controlling territory increases the likelihood of states working with PMSCs in the way I predicted. As can be seen in Figure 3, states fighting rebel groups that control territory are predicted to be ten percent more likely to work with PMSCs.

Figure 2. Marginal Effects of Dis2Cap_Lag on Probability of Hiring a PMSC

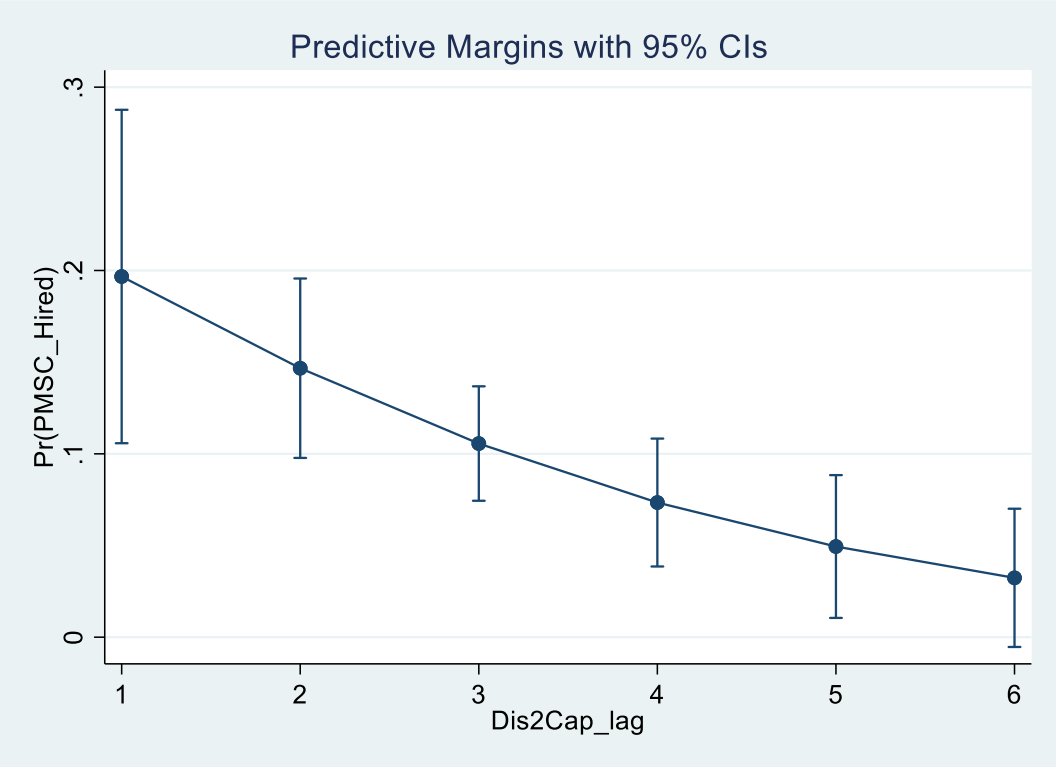
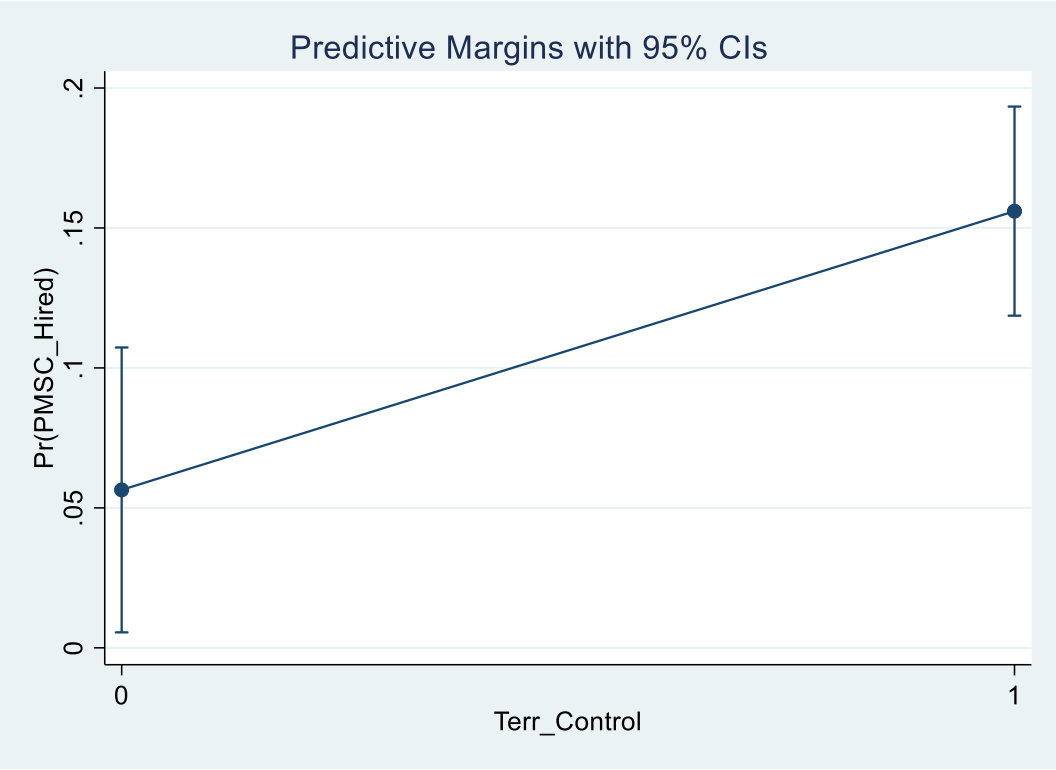


Figure 3. Marginal Effects of Terr_Control on Probability of Hiring a PMSC



Model 2 suggests that when rebels receive military aid from foreign states, states are less likely to work with PMSCs that perform military tasks. As can be seen in Figure 4, when rebels receive military aid from foreign states, the predicted probability that states work with PMSCs that perform military tasks declines from just under ten percent to under three percent. Model 2 also suggests that when a foreign state intervenes in a civil conflict on behalf of a rebel group, states are more likely to work with PMSCs that perform military tasks. As can be seen in Figure 5, when foreign states intervene on behalf of rebels, the predicted probability that states work with PMSCs that perform military tasks increases from just under six percent to over twenty-eight percent. The remaining threat indicators are not significant in Model 2.

Figure 4. Marginal Effects of Reb_Mil_Aid on Probability of Hiring a Military PMSC

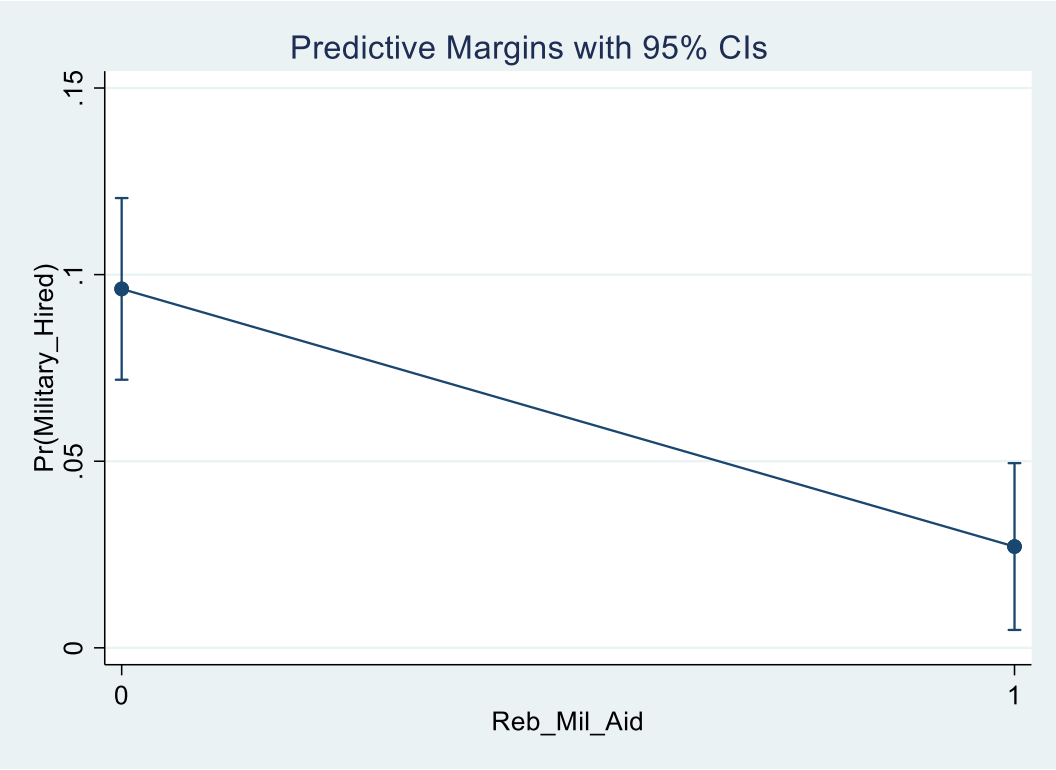
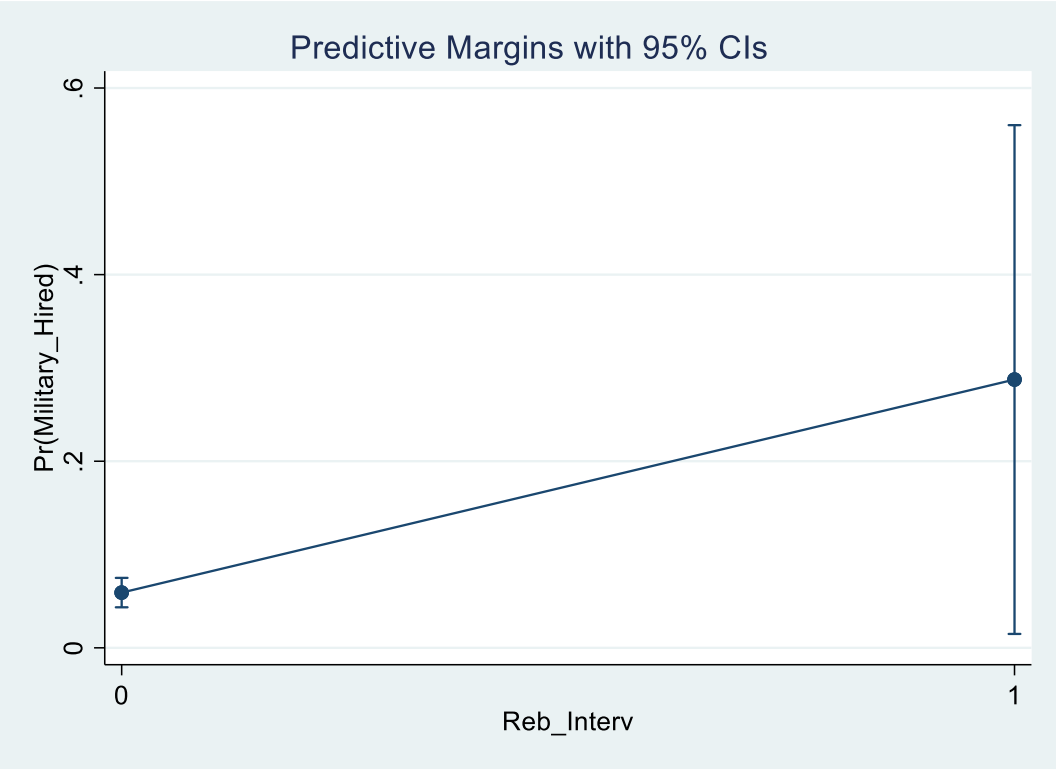
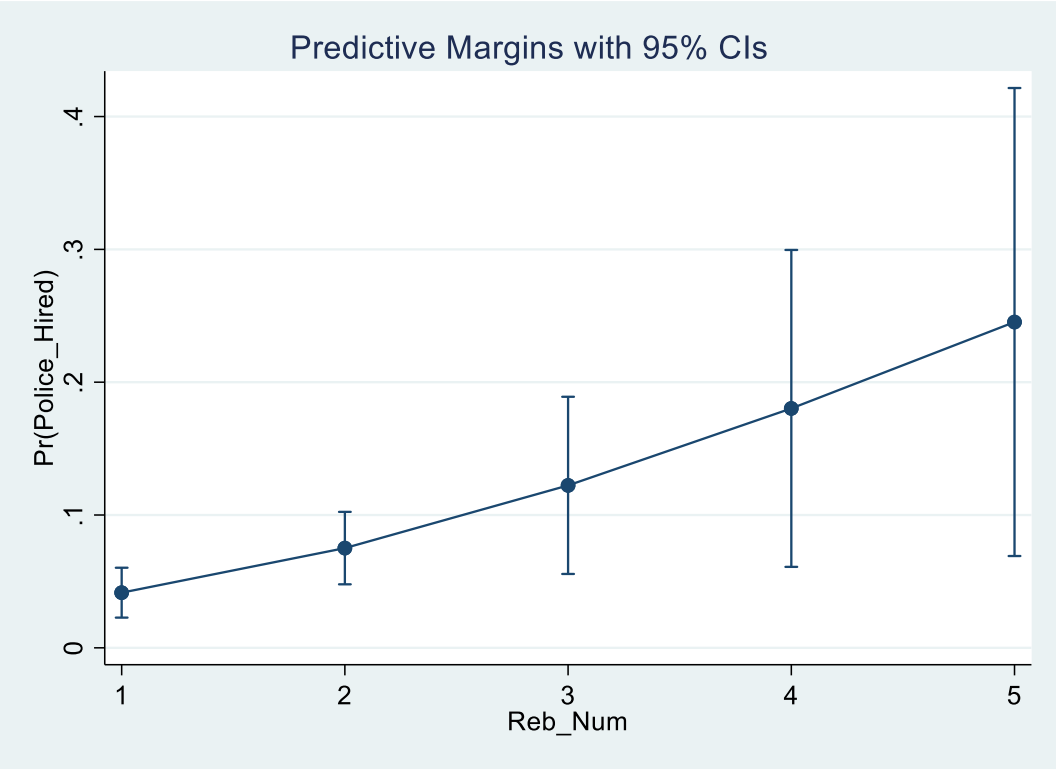


Figure 5. Marginal Effects of Reb_Interv on Probability of Hiring a Military PMSC



In Model 3, the variable *reb_strong*, which indicates whether the state is fighting a rebel group that is relatively stronger than it, predicts states not working with PMSCs that perform police tasks perfectly, and is thus omitted from the model. Otherwise, Model 3 suggests that the more rebel groups a state is fighting, the more likely it is to work with PMSCs that perform police tasks. As can be seen in Figure 6, the predicted probability that states work with PMSCs that perform police tasks is under five percent when states are only fighting one rebel group, but rises to over twelve percent when states are fighting three rebel groups, and almost twenty-five percent when states are fighting five rebel groups. The rest of the indicators in Model 3 are not significant.

Figure 6. Marginal Effects of Reb_Num on Probability of Hiring a Police PMSC



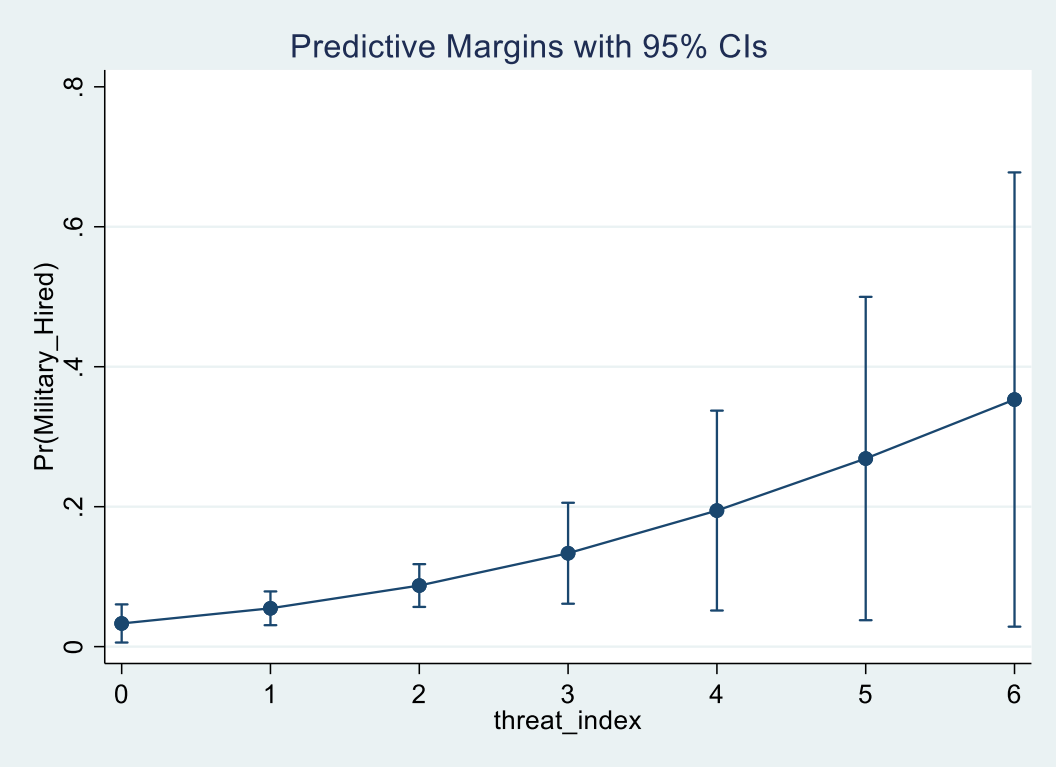
In short, Hypothesis 1 is not strongly supported in Model 1, Model 2, or Model 3. Whether the dependent variable indicates whether states worked with PMSCs in general, or only indicates whether states work with PMSCs that perform military tasks or police tasks, most of the indicators meant to reflect how threatening rebel groups are to states are either not significant, or have the opposite type of relationship with states working with PMSCs than I expected. Rebels controlling territory correlates with states working with PMSCs in Model 1, but not Model 2 or Model 3. Foreign states intervening in a conflict on the side of the rebels correlates with states working with PMSCs in Model 2, but not Model 1 or Model 3. Increases in the number of rebel groups a state is fighting increases the likelihood that states will work with PMSCs in Model 3, but not Model 1 or Model 2. Given these results, I cannot conclude that any

one of the indicators I chose to reflect how threatening rebels are to states strongly predicts when states fighting civil conflicts work with PMSCs.

Yet despite the fact that none of the six indicators related to how threatening rebels are to states are consistently significant across all three models, the results do seem to suggest that rebel characteristics and activities affect whether states work with PMSCs. As such, I also created an index variable, called *threat_index,* by combining data from my six individual threat indicators in order to test whether the overall threat level from rebels can predict when states work with PMSCs. Creating *threat_index* was straightforward. Four of my six threat indicators are dichotomous, so I just added their values. For my variable indicating how many rebel groups states are fighting in a particular year, I added a 1 to *threat_index* if the state was fighting multiple rebel groups, and a 0 otherwise. For my variable indicating the distance between conflict zones and state capitals in the previous year, I added a 1 to *threat_index* if the conflict zone was within 200 kilometers of the capital city, and a 0 otherwise. Although I chose the distance of 200 kilometers because that is the maximum distance a conflict zone can be from a capital city in order to receive a score of 4 or higher in *dis2cap_lag* (which ranges from 0 to 6), it is ultimately an arbitrary distance. As such, *threat_index* ranges from 0 to 6, 0 being minimal threat from rebels, and 6 being maximum threat from rebels, although no country-year in my dataset ever scores higher than 5. As can be seen in Model 4 (see Table 7), the *threat_index* variable has a positive statistically significant relationship with states working with PMSCs that perform military tasks. The predicted probability that states work with PMSCs that perform military tasks is under four percent when *threat_index* is at 0, and is over twenty-six percent when *threat_index* is at 5 (see Figure 7). This result supports Hypothesis 1 as it pertains to

PMSCs that perform military tasks. The *threat_index* variable does not have a significant relationship with states working with PMSCs in general, or PMSCs that perform police tasks, so I did not include these models in Table 7.

Figure 7. Marginal Effects of Threat_Index on Probability of Hiring a Military PMSC



Hypothesis 2

In Hypothesis 2, I predicted that states experiencing civil conflicts with fewer military resources should be more likely to work with PMSCs. Model 1 offers no support for this hypothesis. Indicators that measure states' logged GDP per capita, whether a state receives military aid from a foreign state, or whether a foreign state intervened in a conflict on behalf of the state, do not have any significant relationship with whether states works with PMSCs. Model 2 suggests that the higher a state's logged GDP per capita, the less likely it is to work with PMSCs that perform military tasks. This result supports Hypothesis 2, since I use logged GDP

per capita is a proxy measure for a state's level of military resources. Whether a state receives military aid from a foreign state, or whether a foreign state intervened in a conflict on behalf of the state, are not significant in Model 2. Like Model 1, Model 3 also offers no support for Hypothesis 2, as none of the indicators are significant. Together, these results offer very little support for Hypotheses 2, since most of the indicators meant to reflect variation in the level of military capabilities available to states are not significant in any of the three models. The results do support the theory that poorer states are more likely to work with PMSCs that perform military tasks than are wealthier states.

Hypothesis 3

In Hypothesis 3, I predicted that states that face greater scrutiny from domestic actors for their conduct in civil conflicts should be more likely to work with PMSCs. Model 1 does not offer any support for this hypothesis. Indicators that reflect a state's level of press freedom, whether a state is a democracy, the number of years a state has been engaged in a civil conflict, and the number of battle related deaths that occurred in the previous year, do not affect the likelihood that states will work with PMSCs. Model 2 has substantively similar results. In Model 3, states with higher press freedom scores are more likely to work with PMSCs that perform police tasks, and this relationship is significant past the .000 level. Figure 8 shows that increasing a state's press freedom score from 1 to 2 increases the predicted probability of states working with PMSCs that perform police tasks from under five percent to over nineteen percent. In addition, Model 3 also suggests that more battle-related deaths in the previous year make states more likely to work with PMSCs that perform police tasks. As can be seen in Figure 9, increasing the logged value of the number of battle related deaths that occurred in a country the

previous year from 0 to 12 increases the predicted probability of a state working with PMSCs performing police tasks from under two percent to over eighteen percent. Model 3 also suggests that democratic states are less likely to work with PMSCs that perform police tasks, although when one looks at the marginal effects the *democracy* indicator has on the predicted probability of a state working with PMSCs that perform police tasks, it can be seen that the correlation between being a democracy and whether a state worked with a PMSC is not significant (see Table 8). Together, these results offer limited support for Hypothesis 3 when talking about PMSCs that perform police tasks, but these findings do not apply to PMSCs in general or to PMSCs that perform military tasks.

Figure 8. Marginal Effects of Free_Press on Probability of Hiring a Police PMSC

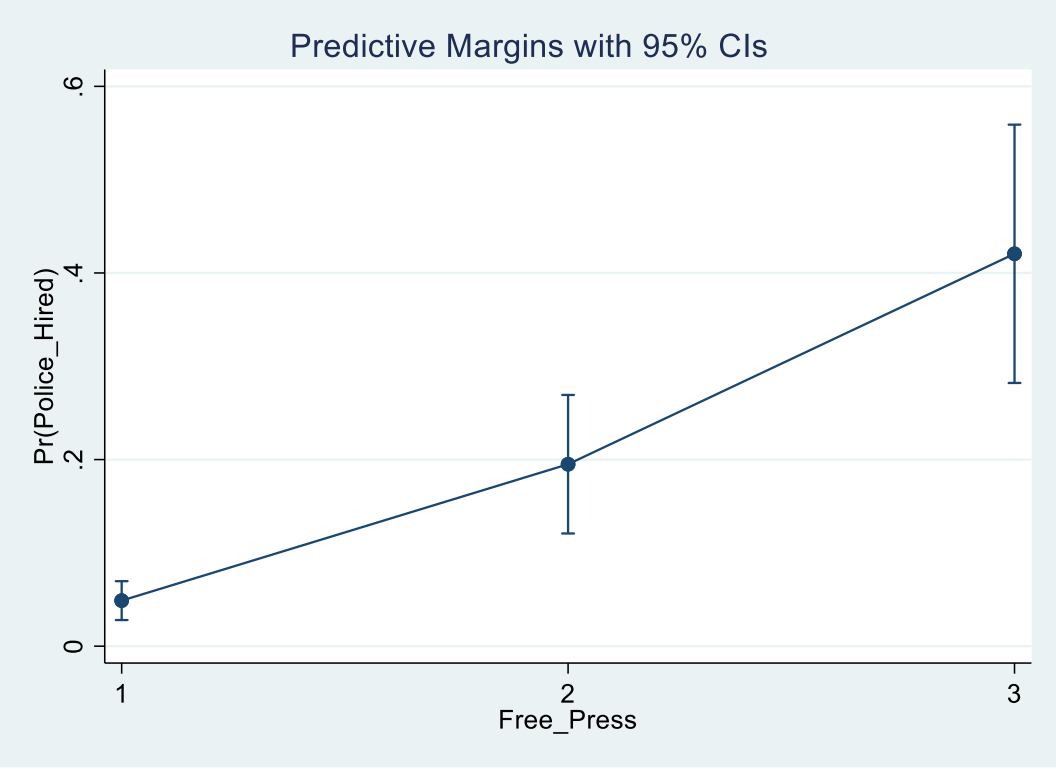


Figure 9. Marginal Effects of log_BattRD_lag on Probability of Hiring a Police PMSC

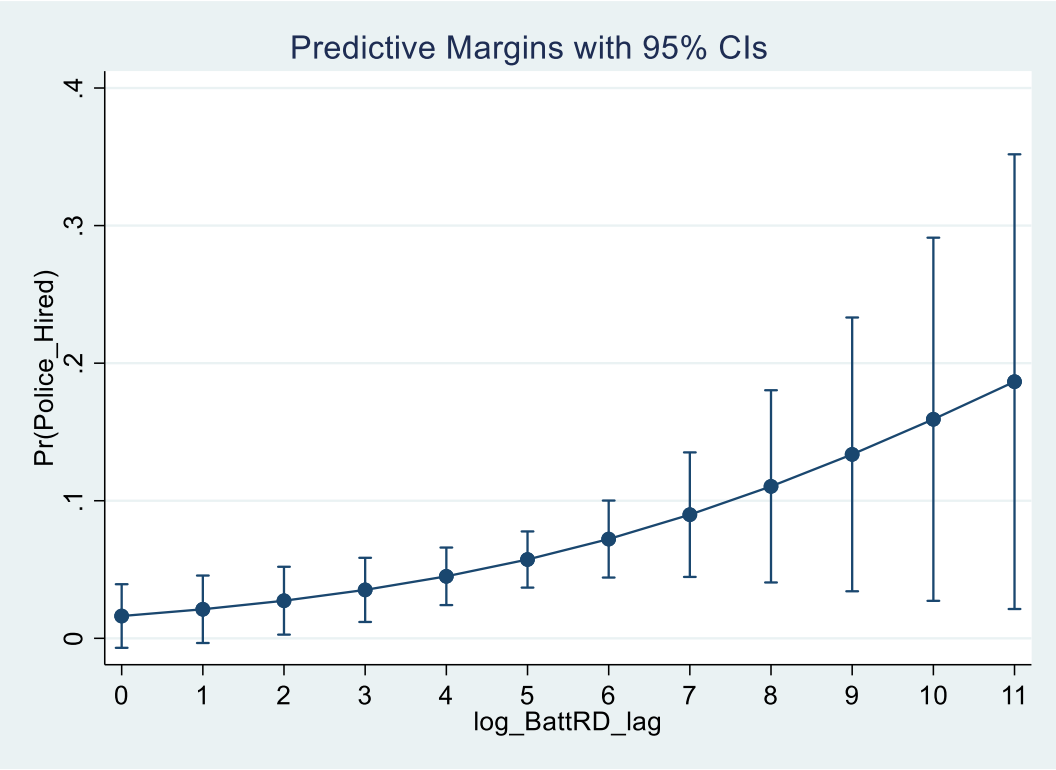


Table 8. Effects Democracy has on Probability of State Working with Police PMSCs

	Margin	Delta-method Std. Err.	z	P>|z|	[95% Conf.	Interval]
_at						
1	.0824524	.0124451	6.63	0.000	.0580606	.1068443
2	.017207	.0106508	1.62	0.106	-.0036683	.0380822

Hypothesis 4

In Hypothesis 4, I predicted that states experiencing civil conflicts that receive aid from actors committed to neoliberal norms should be more likely to work with PMSCs. Model 1 does not support this hypothesis. Being indebted to the World Bank does not have a significant relationship with states working with PMSCs, and being indebted to the IMF has a significant relationship with states working with PMSCs, but in the opposite direction that I predicted. As

can be seen in Figure 10, the predicted probability of a state working with PMSCs is over forty-two percent when states are not indebted to the IMF, while it is under six percent when states are indebted to the IMF. Looking at Model 2 and Model 3, we can see that this relationship is being driven by PMSCs that perform police tasks. Model 2 suggests that being indebted to the IMF does not have a significant relationship with states working with PMSCs that perform military tasks, while Model 3 suggests that being indebted to the IMF makes states less likely to work with PMSCs that perform police tasks. Indeed, this latter relationship is significant to past the .000 level, and decreases the predicted probability of states working with PMSCs that perform police tasks by over thirty-seven percent (see Figure 11). Together, these results offer no support for Hypothesis 4.

Figure 10. Marginal Effects of IMF_Debt on Probability of Hiring a PMSC

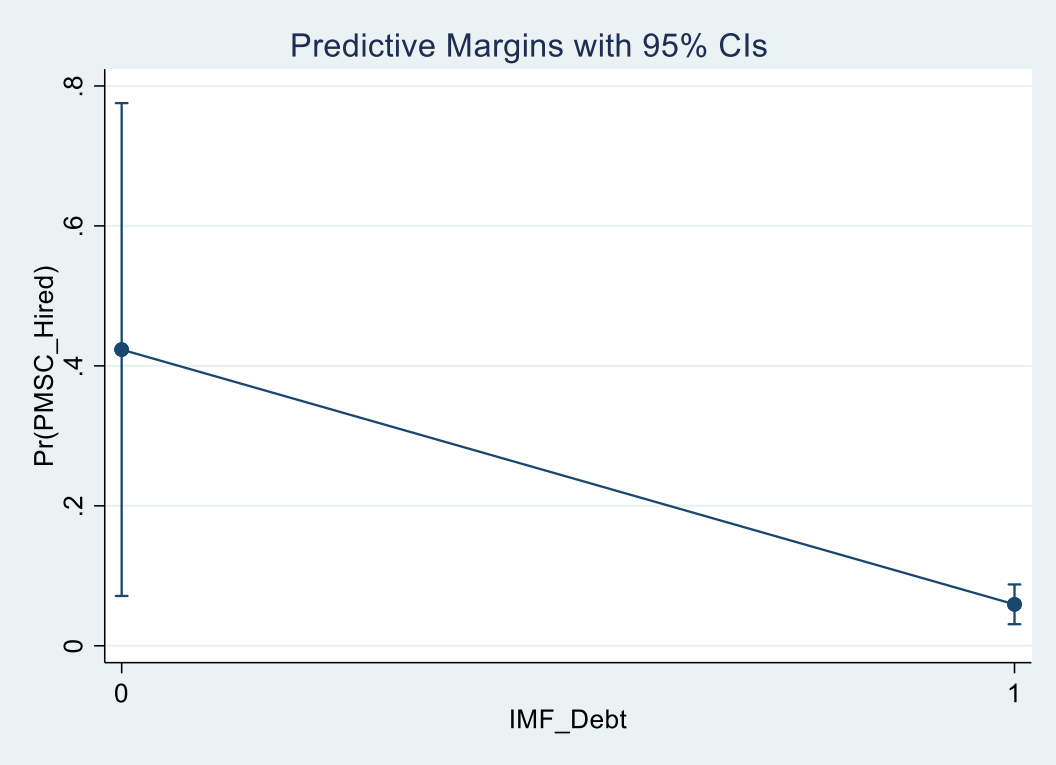
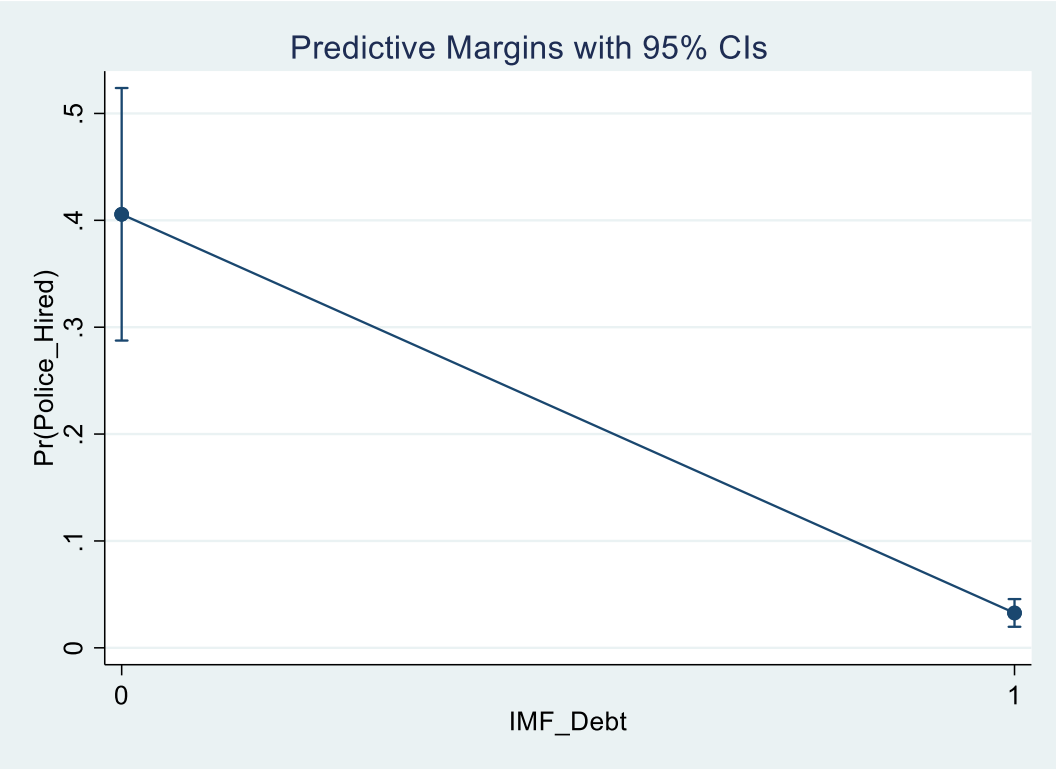


Figure 11. Marginal Effects of IMF_Debt on Probability of Hiring a Police PMSC



Controls

When including control variables, the three models give nearly identical substantive results. In all three models, state failure does not correlate with states working with PMSCs, while the presence of diamonds in a country correlates with states being more likely to work with PMSCs. The presence of diamonds in a country increases the predicted probability of states working with PMSCs by over thirteen percent in Model 1 (see Figure 12), over twelve percent in Model 2 (see Figure 13), and over sixteen percent in Model 3 (see Figure 14). In Model 1 and Model 3, the presence of oil in a country decreases the predicted probability of states working with PMSCs by over twenty percent (see Figure 15) and thirty-four percent (see Figure 16), respectively, while there is no significant relationship between the presence of oil in a country and states working with PMSCs that perform military tasks in Model 2.

Figure 12. Marginal Effects of Diamonds on Probability of Hiring a PMSC

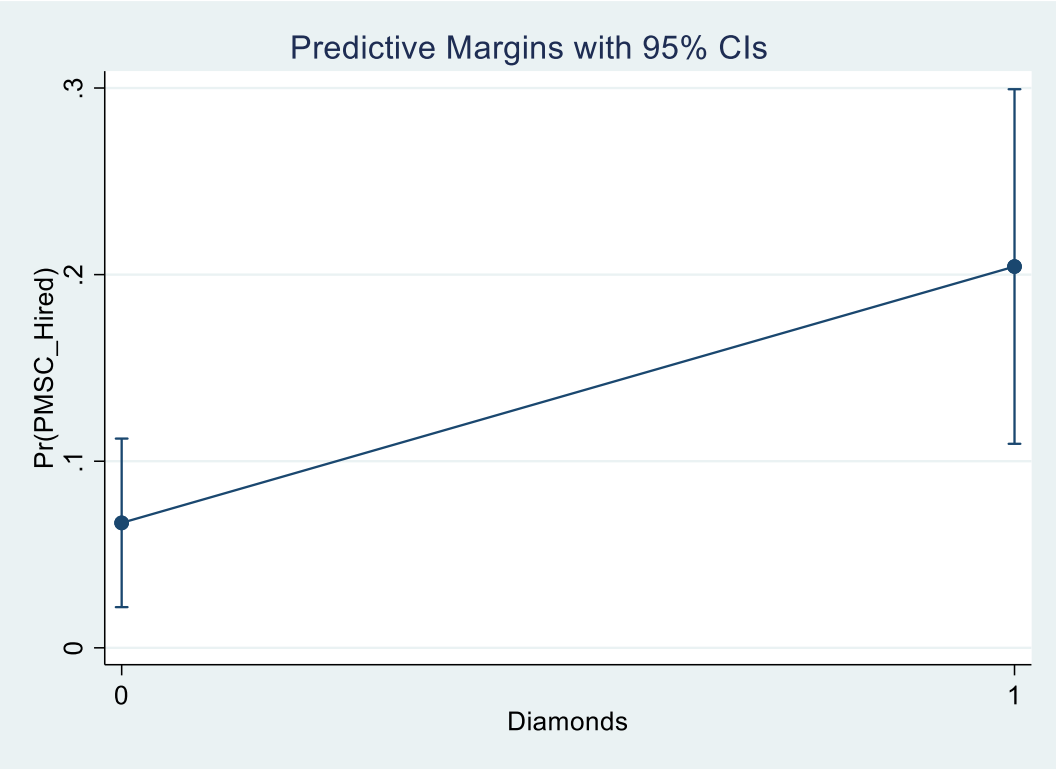


Figure 13. Marginal Effects of Diamonds on Probability of Hiring a Military PMSC

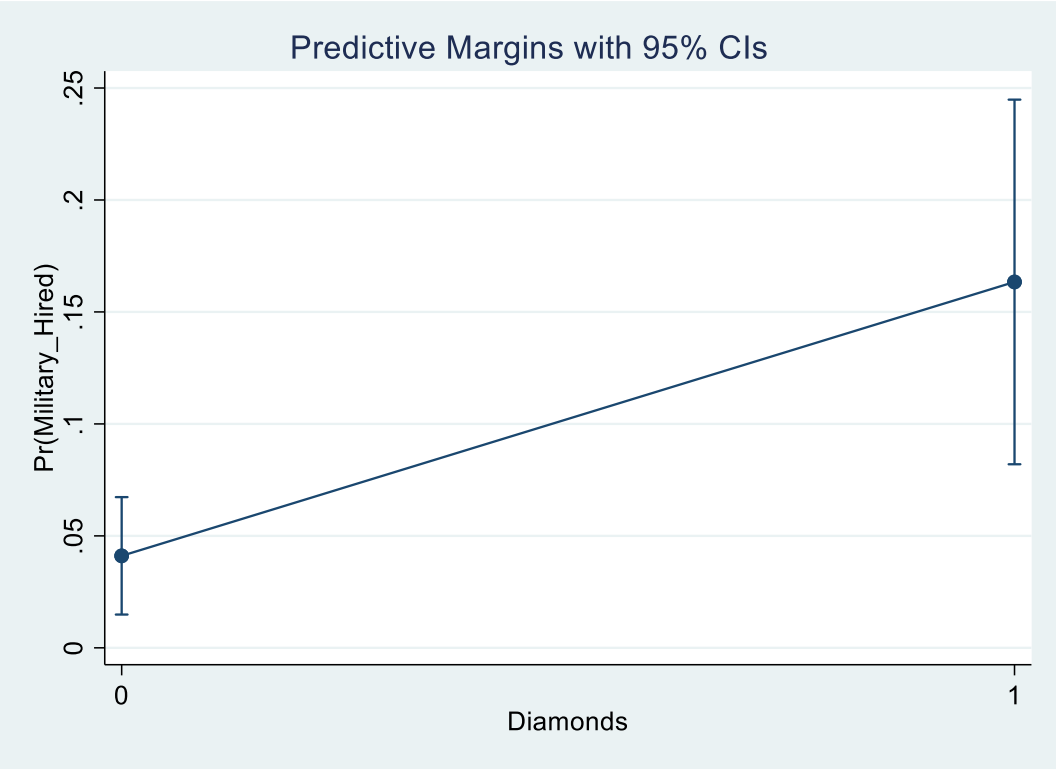


Figure 14. Marginal Effects of Diamonds on Probability of Hiring a Police PMSC

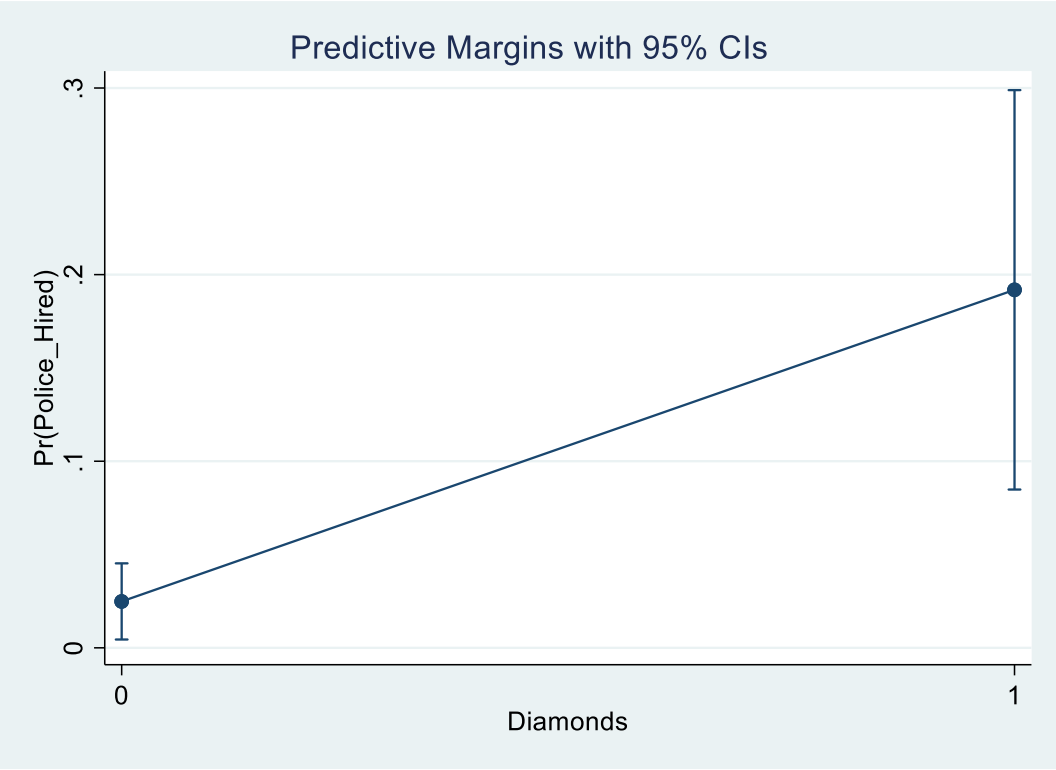


Figure 15. Marginal Effects of Oil on Probability of Hiring a PMSC

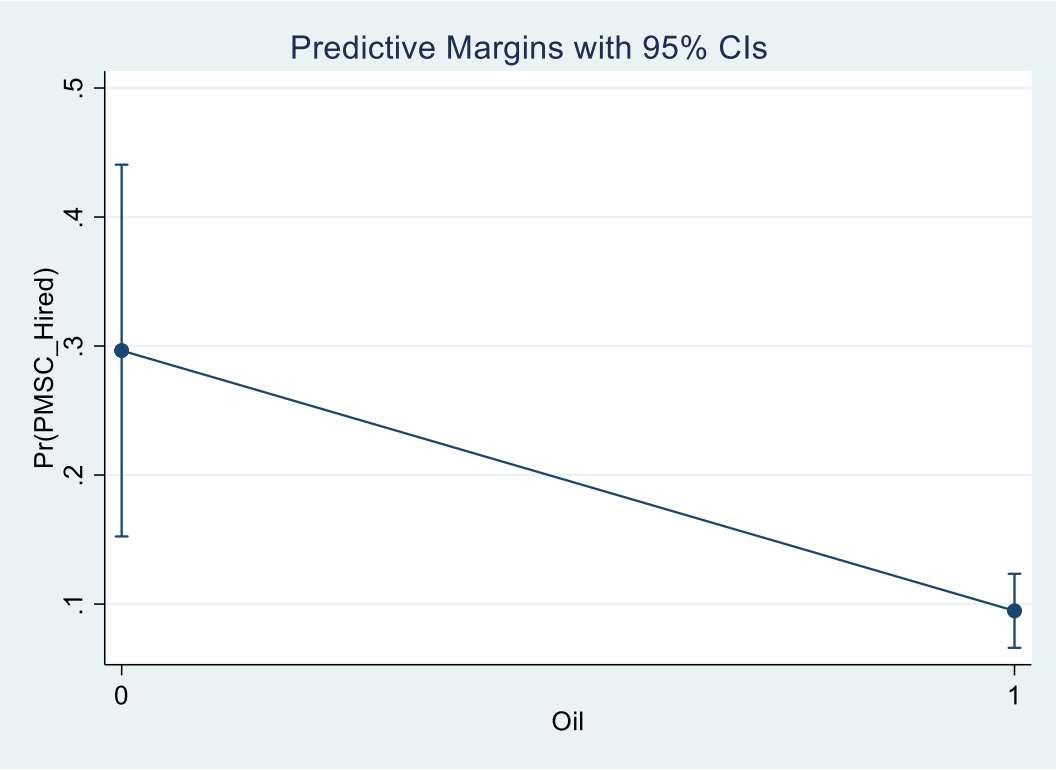
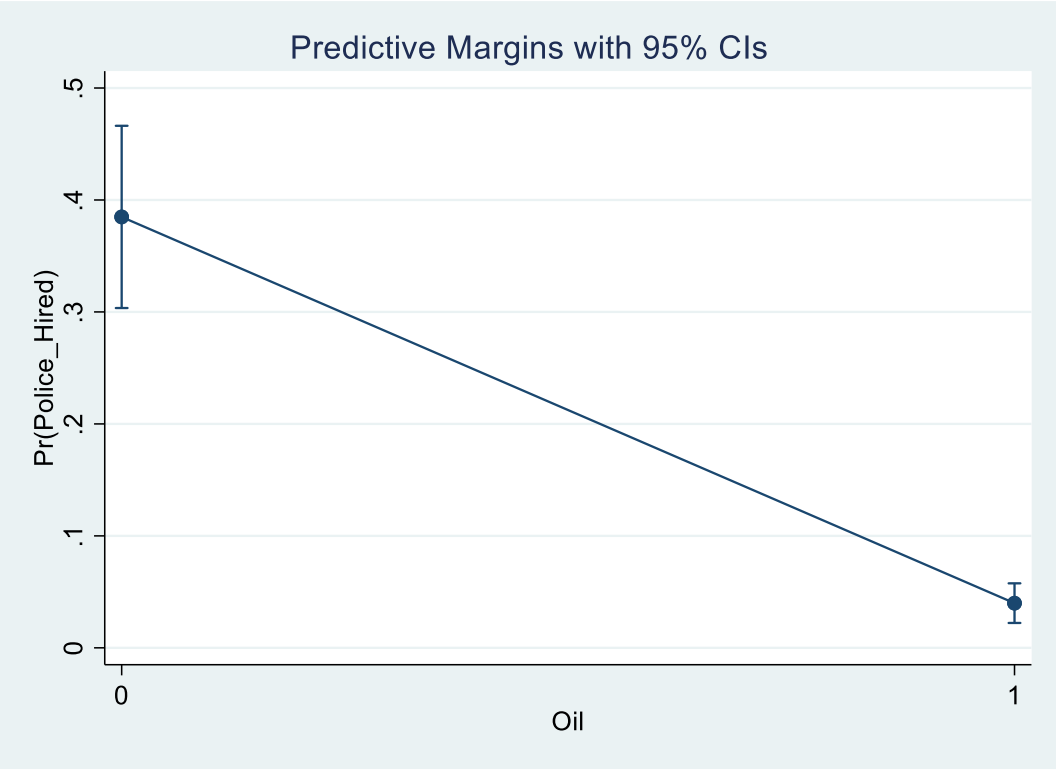


Figure 16. Marginal Effects of Oil on Probability of Hiring a Police PMSC



Results Summarized

A breakdown of what indicators are significant in my models can be seen in Table 9. Rebels controlling territory makes states more likely to work with PMSCs in general, but this effect disappears in Models 2 and 3. Foreign states intervening in civil conflicts on the side of rebels makes states more likely to work with PMSCs that perform military tasks, as do higher levels of threat from rebels overall, as measured by *threat_index*. Fighting more rebel groups, having a higher level of press freedom, and higher numbers of battle-related deaths in the previous year make states more likely to work with PMSCs that perform police tasks. In all three models, the presence of diamonds in a country also correlates with states being more likely to work with PMSCs. Conflict zones being closer to capital cities in the previous year, being indebted to the IMF, and the presence of oil in a country make states less likely to work with

PMSC in general. Rebels receiving military aid from foreign states and higher logged GDP per capita makes states less likely to work with PMSCs that perform military tasks. Being indebted to the IMF and the presence of oil in a country make states less likely to work with PMSCs that perform police tasks.

Table 9. Results for Hypotheses One Through Four Summarized

	Model 1: Military and Police PMSCs	Model 2: Military PMSCs	Model 3: Police PMSCs
Factors that have a positive relationship with states working with PMSCs.	Rebels controlling territory. Presence of diamonds in the country.	A foreign state intervening in a conflict on the side of the rebels. *Threat_Index* Presence of diamonds in the country.	More rebel groups. More press freedom. More battle related deaths in the previous year. Presence of diamonds in the country.
Factors that have a negative relationship with states working with PMSCs.	Conflict zones being closer to state capitals. Being indebted to the IMF. Presence of oil in the country.	Rebel groups receiving military aid from a foreign state. Higher logged GDP per capita.	Being indebted to the IMF. Presence of oil in the country.

Discussion

Despite my expectation, my analysis only finds limited and inconsistent support for my first four hypotheses. These results have implications for future research that seeks to explore when states fighting civil conflicts to work with PMSCs. First, my results suggest that the factors that cause states fighting civil conflicts to work with PMSCs likely vary a great deal depending on what tasks states need PMSCs to perform. With the exception of the presence of diamonds in a country, no indicators were significant across all models. This result suggests that there are not many factors used in this study that consistently cause states fighting civil conflicts to turn to

private actors for help managing their security in general. Rather, different factors likely make states more or less likely to utilize PMSCs for different reasons. In future studies, researchers should find new ways to differentiate PMSCs. In this study, I chose to differentiate PMSCs according to whether they performed military tasks or police tasks. As a reminder, I included participating in combat operations, providing military training, providing operational support, and providing logistical support as military tasks. I included intelligence services, maintaining public order, providing personal and mobile security, and police advising and training as police tasks. While differentiating PMSCs according to whether they perform military or police tasks may still be useful, tasks can also be differentiated according to other factors, such as technical sophistication, proximity to combat zones, or lethality. Differentiating PMSCs according to these factors may reveal stronger and more robust relationships between predictors and states working with PMSCs.

My results also suggest that factors related to rebel activities and characteristics affect whether states work with PMSCs, although not all factors affect state behavior in the same way. Rebels controlling territory, a foreign state intervening in a conflict on the side of rebels, and higher numbers of rebel groups in a country overall each increased the likelihood that states work with PMSCs in one of my models, while the lagged distance conflict zones are from capital cities, and rebels receiving military aid from a foreign state each decreased the likelihood of states working with PMSCs in one of my models. Why each particular factor affects the likelihood of states working with PMSCs the way they do is not clear. Yet when data from the six separate threat indicators are combined into the *threat_index* variable, and this variable replaces the six threat indicators, it has a significant positive relationship with states working

with PMSCs that perform military tasks. This result suggests that how researchers measure threat levels from rebels is important, and more refined measures than those used in this study need to be developed. Future research on what causes states fighting civil conflicts to work with PMSCs should work to identify what factors make rebels more threatening from the perspective of the states fighting them, in order to develop more precise measures for testing how rebel activities and characteristics affect whether states work with PMSCs.

My results suggest that four explanations for why states fighting civil conflicts work with PMSCs have merit. First, whether states work with PMSCs that perform military tasks likely has something to do with how threatening rebels are, and how well-equipped states are to handle threats from rebels. This latter point is supported by the fact that my results suggest that states with higher logged GDP per capita are less likely to work with PMSCs that perform military tasks. Second, whether states work with PMSCs that perform police tasks may have something to do with whether domestic actors are able and willing to scrutinize state leaders' during civil conflicts. This idea is supported by the fact that greater press freedom (providing opportunity to scrutinize), and the number of battle-related deaths that resulted from a conflict in the previous year (providing motivation to scrutinize) increased the predicted probability that states work with PMSCs that perform police tasks. Third, my results suggest that fighting multiple rebel groups also causes states to work with PMSCs that perform police tasks, as does being indebted to the IMF. The former factor is related to how threatening rebels are, while the latter may reflect whether a state is in poor economic condition. As such, these results also support the idea that whether states work with PMSCs depends on how threatening rebels are, and how well-equipped states are to handle threats from rebels. Lastly, the availability of certain types of natural

resources likely affects whether states fighting civil conflicts work with PMSCs in general, but whether they make states more or less likely to work with PMSCs depends on the type of natural resource and the type of PMSC.

Despite the significant results I did find, my analysis ultimately did not strongly support my hypotheses overall. There are several ways I can explain this general lack of support. First, the proxy indicators I used might not be suitable for testing my hypotheses. The four concepts I tried to capture with my indicators were the level of threat rebels present to states, the military capabilities available to states, opportunities and motivations for domestic actors to scrutinize state and military leaders, and the degree to which states are dependent on aid from actors committed to neoliberal norms. These four concepts do not have direct indicators in my analysis, both because some of the concepts are too abstract, and because there are not available data for direct indicators for some of the states included in my data. This was the case for indicators such as troop levels and military spending, which would have served as more direct indicators for the military resources available to states. Second, my models may be missing important variables that affect whether states fighting civil conflicts work with PMSCs that I simply did not consider. Third, my hypotheses may just be wrong. Determining which of these explanations best explains my results requires me to reexamine the theories underlying my hypotheses, and to find alternative data to reflect the underlying concepts contained in my hypotheses. The second task goes beyond the scope of this study. I can, however, reexamine the theories underlying my hypotheses.

The theory underlying Hypothesis 1 is that states fighting civil conflicts prefer not to delegate tasks essential to their national security to PMSCs unless they absolutely have to, and

therefore, only work with PMSCs when rebels present such a great threat that states have to work with PMSCs in order to survive. I assume that states want to maximize their degree of control over the means of coercion within their borders, and that, given that states fighting civil conflicts are already struggling to maintain that control, they will not want to give up any more of it to foreign corporations only bound to them by financial incentives. Indeed, states fighting civil conflicts are often poor, have weak militaries, and often struggle to control these militaries. As such, I assume that states fighting civil conflicts likely know that they lack the resources to offer sufficient positive and negative incentives to control PMSCs. Therefore, I expected states fighting civil conflicts to work with PMSCs only when they are so desperate that they are willing to further erode their degree of control over the means of coercion within their border in order to prevent their immediate defeat.

One reason this theory may not have been as strongly supported in my analysis as I expected is because PMSCs may not like to work with desperate states, because such states are less likely to be able to pay for their services. This explanation suggests that in order to understand when states fighting civil conflicts work with PMSCs, one must not only look at how desperate states are for help, but the degree to which states can actually entice PMSCs to work for them. However, the fact that states with higher' logged GDP per capita were not more likely to work with PMCSs in any of my models undermines this explanation. If PMSCs prefer to enter conflicts when they are confident that the state can pay, then logged GDP per capita ought to have a positive relationship with states working with PMSCs. This explanation is also undermined by the fact that in two of my models, the presence of oil in a country correlated with states being less likely to work with PMSCs. Here too, one would expect that if PMSCs only

work for states when they are sure that the state can pay for their services, the presence of oil in a country should attract PMSCs since it is a profitable natural resource that states can offer either PMSCs or their corporate partners in exchange for help defeating rebels.

Another reason the theory underlying Hypothesis 1 may not have been as strongly supported in my analysis as I expected is that states fighting civil conflicts might prefer to call upon the services of other types of actors for help dealing with threatening rebels. Militias, terrorist organizations, or mercenary-like actors that are not PMSCs all represent actors that states might prefer to call upon. Such groups may have ethnic or ideational ties with the state, may be more invested in defeating rebel groups than PMSCs would be, may be willing to utilize tactics that PMSCs are unwilling to use, or may be weaker actors that states can better control. Since my dataset does not include data on what other types of military/security actors are present in those countries in my analysis, my models do not support or undermine this explanation.

A third explanation is that when states are on the brink of defeat, they may utilize diplomatic tools instead of military ones. States may offer to start peace talks, promise to satisfy some of the rebel's demands, or may call upon powerful foreign actors to step in as peacekeepers or mediators. Here again, my dataset does not contain data suitable for testing this explanation. As such, future studies that seek to examine what factors cause states fighting civil conflicts to work with PMSCs ought to check when states are able to call upon other military/security actors besides PMSCs, and whether states tend to use diplomatic tactics tools when they are fighting particularly threatening rebels rather than military tactics.

The theories underling Hypotheses 2, 3, and 4 were developed by taking ideas from both principal-agent theory and the existing literature on what factors causes states to work with

PMSCs. Hypothesis 2 is grounded in the theory that principals prefer not to delegate tasks when they are capable of performing the task themselves, because doing so requires them to pay agency costs. Only when principals are not capable of performing tasks efficiently and/or effectively on their own will they consider delegating to an agent. This theory fits well with the functionalist explanation for why states work with PMSCs, which asserts that states work with PMSCs in order to be more cost-effective. Hypothesis 3 is grounded in the theory that in addition to financial costs, political principals have to consider the political costs of performing tasks autonomously, and sometimes delegating a task to an agent allows political principals to distance themselves from outcomes that might cost them support. This theory fits well with the political-instrumentalist explanation for why states work with PMSCs, which asserts that state leaders, especially in democracies, like to use PMSCs instead of national soldiers in order to avoid oversight from domestic actors. Hypothesis 4 is grounded in the theory that states more inclined to view delegation as a more efficient means of accomplishing a task than performing the task autonomously should be more likely to delegate tasks to PMSCs. This theory fits well with the ideationist explanation for why wealthy democracies work with PMSCs, which asserts that states committed to neoliberal norms are more likely to work with PMSCs because neoliberalism emphasizes the efficiency of private actors over public.

While I tested these theories, I also argued in Chapter 2 that they were better suited to explain why wealthy democracies work with PMSCs, and since wealthy democracies are very unlike states that generally experience civil conflicts, they may not be able to explain why states fighting civil conflicts work with PMSCs. Such states tend to be poorer, less democratic, and are often ill disposed towards neoliberalism because they view it as an ideology imposed upon them

by Western states. In addition, since states fighting civil conflicts are dealing with immediate existential threats, which wealthy democracies rarely ever contend with, I argued that the decision to work with PMSCs for states fighting civil conflicts has more to do with the seriousness of the existential threat than any other factor. As such, while I am not surprised that Hypotheses 2, 3, and 4 were not strongly supported in my analysis, the fact that Hypothesis 1 was also not strongly supported makes it difficult to explain these outcomes on the basis that threat levels from rebels overrides all other factors. Here again, future studies that seek to examine what factors cause states fighting civil conflicts to work with PMSCs should check when states are able to call upon other military/security actors besides PMSCs, and whether states tend to use diplomatic tactics when they are fighting particularly threatening rebels rather than working with PMSCs.

The literature on when states work with pro-government militia groups provides insights that may be useful for explaining when states fighting civil conflicts work with military/security actors besides PMSCs. The conventional wisdom in this literature suggests that states delegate illicit, shameful, or unpopular tasks to militias (Cohen and Nordas 2015), and recent research has found a relationship between the existence of militias and high levels of some forms of state repression (Mitchell, Carey, and Butler 2014). In other research, scholars have argued that states delegate atrocities to militias to avoid being held accountable and to escape being associated with extreme violence (Ron 2002; Alvarez 2006). These types of explanations for why states work with pro-government militias mirror political-instrumentalist explanations for why states work with PMSCs. As such, the idea that states prefer to keep their hands clean during civil conflicts by allowing other military/security actors to do their dirty work has empirical support. In order to

determine why states might work with PMSCs over militia groups, or vice versa, future studies need to identify the types of states that tend to work with these different types of actors and the specific tasks that states ask them to perform.

The literature regarding when disputants use diplomatic tactics to end civil conflicts instead on military tactics suggests that disputants engage in diplomacy when they calculate that it will be difficult to achieve a military victory, and when institutions exist that make negotiating easier. Mason and Fett (1996) find that civil wars are less likely to end in negotiated settlements when states have larger armies, as larger armies make it easier to achieve a military victory, and that civil wars are more likely to end in negotiated settlements the longer they go on, because as conflicts drag on it becomes apparent that military victory is likely unattainable. Mason et al. (1999) build on these arguments by developing an expected utility model that predicts that peaceful settlements become more likely as the estimated probability and costs of achieving a military victory increase. Cunningham et al. (2009) support Mason et al.'s (1999) expected utility model, finding that when rebels are strong or are able to operate in areas beyond the reach of the state, states are more likely to make concessions to rebels instead of trying to defeat them. In addition, Cunningham et al. find that when rebels have opportunities to pursue their interests peacefully, such as when they have ties to legal political parties, conflicts are more likely to end in negotiated settlements. In turn, Grieg et al. (2016) find that states are more likely to pursue negotiated settlements when rebels demonstrate an ability to operate over a large area of territory, signaling that they will be difficult to defeat. These studies all suggest that when states have reason to expect that achieving victory will be a long and costly process, they are more likely to use diplomacy to resolve civil conflicts, especially when institutions exist that can

facilitate negotiations. Regarding what factors cause states to work with PMSCs, these findings suggest that states will pursue diplomacy rather than working with PMSCs to try and defeat rebels when they expect that rebels will be difficult to defeat, and when it is easier to negotiate with rebels rather than trying to enhance their military capabilities by working with PMSCs. Taking these two factors into account may help explain why Hypotheses 2, 3, and 4 were not supported in my analysis, or alternatively, may reveal significant relationships that do not appear in my models.

When Do PMSCs Help States Win Civil Conflicts?

In this section, I present and discuss the results from my competing risk hazard models designed to test when PMSCs help states win civil conflicts. In all of these models, the dependent variable is the years to state victory in civil conflict dyad-episodes. Dyad-episodes are violent conflicts that occur between a state and a rebel group. The same state may be involved in multiple dyad-episodes in the same year. Hazard models normally report the effects that covariates have on hazard rates as hazard ratios. In this study, however, I convert hazard ratios into coefficients to simplify interpretation. These coefficients reflect how variation in my covariates affect the estimated hazard of states winning civil conflicts. Before reviewing the models that test my hypotheses, however, I present the results from models meant to test how working with PMSCs affects the risk of state victory in general, without including indicators and interactions meant to test my hypotheses. This allows me to see how PMSCs in general, and PMSCs that perform military or police tasks specifically, affect the risk of state victory alone without considering factors that may make them more or less likely to help deliver victory to states.

Basic Models

In Model 5, I test how states working with PMSCs in general affects the risk of state victory. In Model 6 and Model 7, I test how states working with PMSCs that perform military tasks and police tasks, respectively, affect the risk of state victory. As in the previous section, I do not include PMSCs that perform what I call periphery tasks in these models because such tasks are rare. Results from all three models suggest that working with PMSCs delays state victory (see Table 10). In all three models, the indicator for whether states worked with at least one PMSC is significant past the .000 level. Working with a PMSC reduces the hazard of state victory by over nineteen, or in other words, the states that do not work with PMSCs are nineteen times more likely to win their civil conflict. Working with a PMSC that perform military tasks reduces the hazard of state victory by over eighteen. Working with a PMSC that perform police tasks reduces the hazard of state victory by almost twenty-three. The size of these coefficients, compared to other significant factors in my models, suggests that not only does working with PMSCs delay state victory by reducing the hazard that it happens in any particular year, but that this effect is very strong. A closer look at my dataset reveals that no state that worked with PMSCs won a dyad-episode within the eighteen-year period being studied. Out of the 157 dyad-episodes, thirteen cases (8.3 percent) ended in state victory between 1990 and 2007, but in none of these cases did the state work with a PMSC. As such, any effects that PMSCs have on the hazard of state victory in my models will be very large, so I will place more emphasis on the direction coefficients take rather than their overall value when testing my hypotheses.

Table 10. PMSCs Effects on the Hazard of State Victory

Variables	Model 1	Model 2	Model 3
PMSC_Hired	-18.55*** (-23.17)		
Military_Hired		-18.31*** (-27.47)	
Police_Hired			-22.91*** (-21.73
logGDPpc	-1.258 (-1.94)	1.249 (-1.83)	-1.232 (-1.84)
EthFrac	-3.317* (-2.12)	-2.899* (-2.17)	-2.726* (-2.12)
EthnicClaim	-3.388** (-3.15)	-3.624** (-2.80)	-3.691** (-2.65)
Terr_Conflict	2.080* (2.56)	2.402** (2.80)	2.366* (2.52)
AllDrugs	0.405 (0.38)	0.532 (0.55)	0.602 (0.63)
HydroD	-0.0935 (-0.12)	-0.306 (-0.42)	-0.411 (-0.60)
AllGems	-1.603 (-1.71)	-1.399 (-1.76)	-1.365 (-1.77)
Democracy	-18.91*** (-18.59)	-18.36*** (-15.70)	-23.05*** (-19.65)
Legal_Pol_Wing	-0.0101 (-0.02)	0.0812 (0.15)	0.140 (0.26)
Reb_Mil_Aid	-14.20*** (-10.03)	-14.25*** (-9.54)	-18.86*** (-12.16)
Gov_Mil_Aid	-0.282 (-0.21)	-0.490 (-0.40)	-0.705 (-0.59)
Reb_Gov_Aid	23.12*** (7.77)	23.44*** (8.19)	18.42*** (5.80)
Reb_Interv	-15.98*** (-14.71)	-16.29*** (-15.80)	-21.26*** (-18.49)
Gov_Interv	0.374 (0.32)	0.217 (0.19)	0.393 (0.32)
Terr_Control	-0.968 (-1.32)	-0.850 (-1.11)	-0.865 (-1.08)
Reb_Num		-0.304 (-1.94)	-0.299 (-0.89)
N	489	489	489

t statistics in parentheses
* p<0.05, ** p<0.01, *** p<0.001

Hypothesis 5

In Hypothesis 5, I predicted that the easier it is to send information in and out of conflict zones, the more likely hiring PMSCs will help states achieve victory. I test this hypothesis by interacting each of my three PMSC indicators with three additional indicators: *Electricity,* which indicates what percentage of a state's population has access to electricity; *Mountains*, which

indicates what percentage of a state's territory is covered in mountainous terrain; and *Dis2CapKm*, which indicates the distance conflict zones are from state capitals in kilometers. My results do not support Hypothesis 5 (see Table 11-13). Interactions between states working with PMSCs and those indicators meant to reflect factors that affect how well states can send information in and out of conflict zones are not significant in any of my models. This is true for PMSCs in general, and PMSCs that perform military tasks and police tasks.

Table 11. (Hypothesis 5) PMSCs in General Interacting w/ Monitoring Factors

Variables	Model 1	Model 2	Model 3
PMSC_Hired	-20.96*** (-18.29)	-17.63*** (-17.94)	-19.31*** (-19.16)
PMSC_Electricity	-0.0127 (-0.56)		
Electricity	0.0191 (1.58)		
PMSC_Mountains		-0.0394 (-0.86)	
Mountains		0.0179 (1.31)	
PMSC_Dis2CapKm			0.00349 (1.56)
Dis2CapKm			-0.000138 (-0.08)
logGDPpc	-1.772** (3.16)	-0.922 (-1.39)	-1.241 (-1.85)
EthFrac	-1.887 (-1.38)	-2.621 (-1.54)	-2.928 (-1.83)
EthnicClaim	-3.280** (-2.73)	-3.911*** (-3.30)	-3.605** (-2.72)
Terr_Conflict	2.040* (2.07)	2.697*** (3.35)	2.409** (2.68)
AllDrugs	0.552 (0.54)	-0.287 (-0.21)	0.471 (0.45)
HydroD	-0.536 (-0.61)	-0.308 (-0.39)	-0.241 (-0.27)
AllGems	-0.805 (-1.07)	-0.855 (-0.86)	-1.391 (-1.61)
Democracy	-19.95*** (-19.85)	-18.39*** (-15.30)	-18.16*** (-12.65)
Legal_Pol_Wing	-0.497 (-0.55)	-0.500 (-0.60)	0.0355 (0.06)
Reb_Num	-0.338 (-1.04)	-0.366 (-1.05)	-0.283 (-0.85)
Reb_Mil_Aid	-18.46*** (-13.01)	-15.08*** (-10.98)	-14.05*** (-9.95)
Gov_Mil_Aid	-0.612 (-0.55)	-0.172 (-0.14)	-0.541 (-0.43)
Reb_Gov_Aid	27.98*** (11.94)	24.16*** (8.34)	22.38*** (6.88)
Reb_Interv	-19.27*** (-22.23)	-17.03*** (-15.92)	-16.07*** (-15.15)
Gov_Interv	0.0309 (0.03)	0.159 (0.14)	0.306 (0.23)
Terr_Control	-1.062 (-1.37)	-0.895 (-1.15)	-0.827 (-1.04)
N	489	489	489

t statistics in parentheses
* p<0.05, ** p<0.01, *** p<0.001

Table 12. (Hypothesis 5) Military PMSCs Interacting w/ Monitoring Factors

Variables	Model 1	Model 2	Model 3
Military_Hired	-22.17*** (-20.12)	-17.68*** (-18.24)	-19.61*** (-20.70)
Military_Electricity	-0.00700 (-0.35)		
Electricity	0.0190 (1.59)		
Military_Mountains		-0.0386 (-0.85)	
Mountains		0.0186 (1.37)	
Military_Dis2CapKm			0.00354 (1.63)
Dis2CapKm			-0.000168 (-0.10)
logGDPpc	-1.775** (-3.07)	-0.915 (-1.34)	-1.254 (-1.80)
EthFrac	-1.809 (-1.40)	-2.581 (-1.58)	-2.865 (-1.95)
EthnicClaim	-3.299** (-2.69)	-3.945*** (-3.30)	-3.635** (-2.68)
Terr_Conflict	2.071* (2.09)	2.726*** (3.39)	2.439** (2.68)
AllDrugs	0.583 (0.57)	-0.299 (-0.22)	0.495 (0.48)
HydroD	-0.579 (-0.66)	-0.336 (-0.43)	-0.266 (-0.29)
AllGems	-0.789 (-1.06)	-0.839 (-0.86)	-1.384 (-1.68)
Democracy	-21.03*** (-21.76)	-18.36*** (-15.86)	-18.33*** (-13.53)
Legal_Pol_Wing	-0.443 (-0.52)	-0.512 (-0.62)	0.0563 (0.09)
Reb_Num	-0.366 (-1.13)	-0.381 (-1.12)	-0.305 (-0.95)
Reb_Mil_Aid	-19.42*** (-13.60)	-15.11*** (-10.92)	-14.27 (-10.02)
Gov_Mil_Aid	-0.562 (-0.52)	-0.142 (-0.12)	-0.490 (-0.40)
Reb_Gov_Aid	29.34*** (12.54)	24.48*** (8.48)	23.17*** (7.13)
Reb_Interv	-20.34*** (-23.21)	-17.05*** (-15.89)	-16.32 (-15.33)
Gov_Interv	-0.0901 (-0.08)	0.103 (0.09)	0.198 (0.16)
Terr_Control	-1.079 (-1.38)	-0.913 (-1.17)	-0.840 (-1.05)
N	489	489	489

t statistics in parentheses
* p<0.05, ** p<0.01, *** p<0.001

Table 13. (Hypothesis 5) Police PMSCs Interacting w/ Monitoring Factors

Variables	Model 1	Model 2	Model 3
Police_Hired	-16.62*** (-13.53)	-17.69*** (-14.13)	-24.53*** (-11.11)
Police_Electricity	-0.0166 (-0.62)		
Electricity	0.0166 (1.65)		
Police_Mountains		-0.0374 (-0.25)	
Mountains		0.0188 (1.36)	
Police_Dis2CapKm			0.00487 (1.01)
Dis2CapKm			0.0000718 (0.04)
logGDPpc	-1.767** (-3.05)	-0.900 (-1.33)	-1.230 (-1.81)
EthFrac	-1.601 (-1.28)	-2.274 (-1.51)	-2.743 (-1.85)
EthnicClaim	-3.318* (-2.54)	-3.989** (-3.18)	-3.688** (-2.59)
Terr_Conflict	2.012 (1.87)	2.694** (3.10)	2.351* (2.41)
AllDrugs	0.655 (0.68)	-0.245 (-0.18)	0.618 (0.59)
HydroD	-0.687 (-0.84)	-0.465 (-0.64)	-0.427 (-0.48)
AllGems	-0.739 (-1.02)	-0.756 (-0.78)	-1.374 (-1.67)
Democracy	-15.69*** (-16.46)	-18.24*** (-16.73)	-23.06*** (-16.43)
Legal_Pol_Wing	-0.393 (-0.46)	-0.429 (-0.53)	0.150 (0.25)
Reb_Num	-0.356 (-1.09)	-0.390 (-1.12)	-0.299 (-0.89)
Reb_Mil_Aid	-14.42*** (-9.86)	-15.01*** (-10.46)	-18.99*** (-12.69)
Gov_Mil_Aid	-0.750 (-0.70)	-0.315 (-0.27)	-0.704 (-0.59)
Reb_Gov_Aid	12.53*** (5.09)	15.06*** (5.23)	18.36*** (6.05)
Reb_Interv	-15.30*** (-15.98)	-17.37*** (-15.18)	-21.38*** (-18.61)
Gov_Interv	0.0892 (0.08)	0.211 (0.18)	0.401 (0.31)
Terr_Control	-1.105 (-1.35)	-0.937 (-1.15)	-0.870 (-1.04)
N	489	489	489

t statistics in parentheses
* p<0.05, ** p<0.01, *** p<0.001

Hypothesis 6

In Hypothesis 6, I predicted that the higher the level of press freedom in a country experiencing a civil conflict, the more likely hiring PMSCs will help states achieve victory. I test

this hypothesis by interacting my three PMSC indicators with press freedom scores from Freedom House. My results do not support Hypothesis 6 (see Table 14), as interactions between states working with PMSCs and press freedom scores are not significant in any of my models. This is true for PMSCs in general, and PMSCs that perform military tasks and police tasks.

Table 14. (Hypothesis 6) PMSCs Interacting w/ Press Freedom

Variables	Model 1	Model 2	Model 3
PMSC_Hired	-21.75*** (-10.93)		
PMSC_Press	0.958 (0.65)		
Military_Hired		-21.79*** (-9.06)	
Military_Press		1.010 (0.44)	
Police_Hired			-18.71*** (-6.37)
Police_Press			-0.618 (-0.30)
Press_Freedom	0.185 (0.24)	0.145 (0.19)	0.225 (0.28)
logGDPpc	-1.275* (-2.10)	-1.279* (-2.01)	-1.279* (-2.07)
EthFrac	-3.106 (-1.87)	-3.017* (-2.01)	-2.912 (-1.95)
EthnicClaim	-3.531** (-2.71)	-3.575** (-2.01)	-3.610* (-2.53)
Terr_Conflict	2.316** (2.66)	2.353** (2.69)	2.291* (2.42)
AllDrugs	0.473 (0.49)	0.512 (0.54)	0.563 (0.60)
HydroD	-0.209 (-0.29)	-0.255 (-0.35)	-0.330 (-0.48)
AllGems	-1.379 (-1.64)	-1.381 (-1.73)	-1.335 (-1.70)
Democracy	-21.18*** (-11.45)	-21.03*** (-12.17)	-19.85*** (-10.96)
Legal_Pol_Wing	0.0634 (0.11)	0.0870 (0.16)	0.149 (0.27)
Reb_Num	-0.262 (-0.74)	-0.289 (-0.85)	-0.276 (-0.78)
Reb_Mil_Aid	-16.36*** (-10.89)	-16.35*** (-10.81)	-15.00*** (-9.51)
Gov_Mil_Aid	-0.554 (-0.43)	-0.497 (-0.40)	-0.722 (-0.58)
Reb_Gov_Aid	25.46*** (8.70)	25.62*** (8.91)	14.51*** (4.53)
Reb_Interv	-18.65*** (-18.16)	-18.68*** (-18.14)	-17.67*** (-15.66)
Gov_Interv	0.338 (0.27)	0.226 (0.19)	0.415 (0.33)
Terr_Control	-0.791 (-1.06)	-0.816 (-1.09)	-0.809 (-1.03)
N	489	489	489

t statistics in parentheses
* p<0.05, ** p<0.01, *** p<0.001

Hypothesis 7

In Hypothesis 7, I predicted that when PMSCs work for multiple states in the same civil conflict, the less likely hiring PMSCs will help states achieve victory. I test this hypothesis by comparing the effects two different types of PMSCs have on the hazard of state victory: PMSCs that are both paid by and work for the state fighting the civil conflict, and PMSCs that work for the state fighting the civil conflict while being paid by another state. My results ultimately do not support Hypothesis 7, but they do show that PMSCs paid by foreign states also delay state victory (see Table 15). In none of my models was there a substantive difference in how foreign paid PMSCs and locally paid PMSCs affect the hazard of state victory. Yet in all of my models, foreign paid PMSCs had a negative effect on the hazard of state victory, and these relationships are significant past the .000 level. This is true for PMSCs in general, and PMSCs that perform military tasks and police tasks. As such, while my results suggest that foreign paid PMSCs delay state victory, they do not support the idea that foreign paid PMSCs delay state victory any more than PMSCs that work for an are paid by the same state.

Table 15. (Hypothesis 7) PMSCs Compared with Foreign Paid PMSCs

Variables	Model 1	Model 2	Model 3
PMSC_Hired	-17.49*** (-27.60)		
Foreign_Paid_PMSC	-16.26*** (-14.18)		
Military_Hired		-19.18*** (-30.31)	
Foreign_Paid_Military		-17.92*** (-18.75)	
Police_Hired			-14.85*** (-13.32)
Foreign_Paid_Police_			-15.01*** (-6.59)
logGDPpc	-1.219 (-1.86)	-1.163 (-1.72)	-1.232 (-1.84)
EthFrac	-2.907* (-2.01)	-2.861* (-2.14)	-2.721* (-2.12)
EthnicClaim	-3.613** (-2.79)	-3.573** (-2.87)	-3.714* (-2.57)
Terr_Conflict	2.385** (2.83)	2.344** (2.78)	2.369 (2.50)
AllDrugs	0.559 (0.58)	0.518 (0.54)	0.655 (0.70)
HydroD	-0.241 (-0.32)	-0.253 (-0.35)	-0.383 (-0.55)
AllGems	-1.355 (-1.62)	-1.401 (-1.76)	-1.338 (-1.73)
Democracy	-18.06*** (-14.43)	-19.64*** (-16.52)	-16.30*** (-13.79)
Legal_Pol_Wing	0.0654 (0.11)	0.0261 (0.05)	0.153 (0.28)
Reb_Num	-0.293 (-0.90)	-0.276 (-0.86)	-0.306 (-0.92)
Reb_Mil_Aid	-13.93*** (-9.14)	-15.58*** (-10.52)	-12.11*** (-7.50)
Gov_Mil_Aid	-0.418 (-0.28)	-0.517 (-0.40)	-0.552 (-0.41)
Reb_Gov_Aid	22.03*** (8.19)	24.21*** (8.85)	11.49*** (3.55)
Reb_Interv	-15.82*** (-18.28)	-17.38*** (-19.98)	-14.55*** (-13.10)
Gov_Interv	0.294 (0.22)	0.308 (0.26)	0.326 (0.25)
Terr_Control	-0.841 (-1.12)	-0.820 (-1.07)	-0.867 (-1.09)
N	489	489	489

t statistics in parentheses
* p<0.05, ** p<0.01, *** p<0.001

Hypothesis 8

In Hypothesis 8, I predicted that the more PMSCs operating in a conflict, the more likely hiring PMSCs will help states achieve victory. I test this hypothesis by comparing the effects of

hiring at least one PMSC with indicators that reflect the total number of PMSCs a state hired in a particular country-year. In doing so, I reveal how hiring additional PMSCs affects the hazard of state victory while controlling for the effect of hiring just one PMSC. My results do not support Hypothesis 8 (see Table 16). In none of my models are the indicators that reflect how many PMSCs a state worked with significant. This is true for PMSCs in general, and PMSCs that perform military tasks and police tasks.

Table 16. (Hypothesis 8) PMSC Competition

Variables	Model 1	Model 2	Model 3
PMSC_Hired	-19.24*** (-29.11)		
PMSC_Hired_Total	-0.156 (-0.42)		
Military_Hired		-19.64*** (-15.58)	
Military_Hired_Total		-0.0421 (-0.06)	
Police_Hired			-22.29*** (-26.89)
Police_Hired_Total			-0.264 (-0.50)
logGDPpc	-1.238 (-1.88)	-1.249 (-1.83)	-1.232 (-1.84)
EthFrac	-2.957* (-2.02)	-2.899* (-2.17)	-2.726* (-2.12)
EthnicClaim	-3.595** (-2.84)	-3.624** (-2.80)	-3.691** (-2.65)
Terr_Conflict	2.379** (2.80)	2.402** (2.80)	2.366* (2.52)
AllDrugs	0.501 (0.51)	0.533 (0.55)	0.602 (0.63)
HydroD	-0.273 (-0.38)	-0.306 (-0.42)	-0.411 (-0.60)
AllGems	-1.403 (-1.68)	-1.400 (-1.76)	-1.365 (-1.77)
Democracy	-19.68*** (-15.72)	-19.74*** (-16.88)	-23.05*** (-19.65)
Legal_Pol_Wing	0.0561 (0.10)	0.0814 (0.15)	0.140 (0.26)
Reb_Num	-0.282 (-0.84)	-0.304 (-0.94)	-0.299 (-0.89)
Reb_Mil_Aid	-15.46*** (-10.51)	-15.61*** (-10.45)	-18.86*** (-12.16)
Gov_Mil_Aid	-0.540 (-0.43)	-0.489 (-0.40)	-0.705 (-0.59)
Reb_Gov_Aid	24.34*** (8.40)	24.82*** (8.68)	18.41*** (5.80)
Reb_Interv	-17.49*** (-17.00)	-17.66*** (-17.13)	-21.26*** (-18.49)
Gov_Interv	0.321 (0.26)	0.217 (0.19)	0.393 (0.32)
Terr_Control	-0.836 (-1.10)	-0.850 (-1.11)	-0.865 (-1.08)

N	489	489	489

t statistics in parentheses
* p<0.05, ** p<0.01, *** p<0.001

Hypothesis 9

In Hypothesis 9, I predicted that PMSCs are less likely to help weaker states win civil conflicts than they are stronger states. I test this hypothesis by interacting states working with PMSCs with three variables: *GovInterv*, which indicates whether a foreign state intervened in a conflict on behalf of the state; *GovMilAid*, which indicates whether a state received military aid from a foreign state; *logGDPpc*, which indicates the log of a state's GDP per capita in a particular year; and *Electricity*, which indicates what percent of a country's population has access to electricity. My results offer partial support for Hypothesis 9 (see Tables 17-20). The interactions with *GovInterv* and *GovMilAid* were not significant in any of my models. When indicators measure whether states worked with a PMSC are interacted with *logGDPpc*, not only is the interaction variable not significant, but the significance of the indicators that measure whether states worked with at least one PMSC also disappear. This result suggests that variation in logged GDP per capita influence the effects that PMSCs have on the risk of state victory. In other words, PMSCs affect the risk of state victory differently depending on the wealth of the client state. However, these results do not show that PMSCs are less likely to help weaker states win civil conflicts than they are stronger states: they simply suggest that a state's level of wealth influences how PMSCs affect the risk of state victory. No matter if I'm testing how PMSCs in general affect the risk of state victory, or if I'm testing how PMSCs that perform military tasks or police tasks affect the risk of state victory, when *Electricity* is added to the model, logged GDP per capita is significant to the .002 level, and has a coefficient of -1.7. These results support the theory that wealthier states have a lower risk of state victory, and that this effect can be seen

when variation in what percentage of a country's population has access to electricity is considered. In addition, when *Electricity* is added to my models, the PMSC indicators and the interaction between PMSCs and logged GDP per capita remain not significant. These results have two implications. First, that the effects a state's level of wealth has on its risk of winning a civil conflict are not straightforward. Other factors associated with how developed the state is need to be considered. Second, even though the interaction between PMSCs and GDP per capita are not significant, since I now know that GDP per capita does have a significant negative relationship with the risk of state victory, and that including the interaction between PMSCs and GDP per capita eliminates the significance of the PMSC indicators, I can assert more confidently that having more wealth can eliminate the negative effects that PMSCs have on the risk of state victory. In other words, my analysis supports the theory that PMSCs are less likely to delay victory for wealthier states.

Table 17. (Hypothesis 9) PMSCs in General Interacted with State Capacity to Punish

Variables	Model 1	Model 2	Model 3
PMSC_Hired	-20.23*** (-32.89)	-21.41*** (-24.74)	-10.53 (-1.05)
PMSC_Gov_Interv	0.212 (0.11)		
PMSC_Gov_Mil_Aid		1.135 (0.55)	
PMSC_logGDPpc			-1.143 (-0.77)
logGDPpc	-1.238 (-1.88)	-1.238 (-1.88)	-1.238 (-1.88)
EthFrac	-2.956* (-2.02)	-2.956* (-2.02)	-2.957* (-2.02)
EthnicClaim	-3.595** (-2.84)	-3.595** (-2.84)	-3.595** (-2.84)
Terr_Conflict	2.379** (2.80)	2.379** (2.80)	2.379** (2.80)
AllDrugs	0.501 (0.51)	0.501 (0.51)	0.501 (0.51)
HydroD	-0.273 (-0.38)	-0.273 (-0.38)	-0.273 (-0.38)
AllGems	-1.404 (-1.68)	-1.404 (-1.68)	-1.403 (-1.68)
Democracy	-20.31*** (-16.22)	-21.31*** (-17.02)	-18.43*** (-14.72)
Legal_Pol_Wing	0.0563 (0.10)	0.0563 (0.10)	0.0561 (0.10)
Reb_Num	-0.282 (-0.84)	-0.282 (-0.84)	-0.282 (-0.84)
Reb_Mil_Aid	-16.08*** (-10.93)	-17.12*** (-11.63)	-14.16*** (-9.63)
Gov_Mil_Aid	-0.540 (-0.43)	-0.540 (-0.43)	-0.540 (-0.43)
Reb_Gov_Aid	25.23*** (8.70)	26.57*** (9.17)	23.15*** (7.99)
Reb_Interv	-18.11*** (-17.60)	-19.14*** (-18.60)	-16.21*** (-15.75)
Gov_Interv	0.321 (0.26)	0.321 (0.26)	0.321 (0.26)
Terr_Control	-0.835 (-1.10)	-0.835 (-1.10)	-0.835 (-1.10)
N	489	489	489

t statistics in parentheses
* p<0.05, ** p<0.01, *** p<0.001

Table 18. (Hypothesis 9) Military PMSCs Interacted with State Capacity to Punish

Variables	Model 1	Model 2	Model 3
Military_Hired	-20.35*** (-32.63)	-18.87*** (-25.82)	-11.10 (-1.32)
Military_Gov_Interv	0.673 (0.39)		
Military_Gov_Mil_Aid		1.225 (0.65)	
Military_logGDPpc			-1.106 (-0.90)
logGDPpc	-1.249 (-1.83)	-1.249 (-1.83)	-1.249 (-1.83)
EthFrac	-2.898* (-2.17)	-2.899* (-2.17)	-2.899* (-2.17)
EthnicClaim	-3.624** (-2.80)	-3.624** (-2.80)	-3.624** (-2.80)
Terr_Conflict	2.402** (2.80)	2.402** (2.80)	2.402** (2.80)
AllDrugs	0.533 (0.55)	0.533 (0.55)	0.533 (0.55)
HydroD	-0.305 (-0.42)	-0.306 (-0.42)	-0.306 (-0.42)
AllGems	-1.400 (-1.76)	-1.399 (-1.76)	-1.399 (-1.76)
Democracy	-20.24*** (-17.31)	-18.61*** (-15.92)	-18.61*** (-15.92)
Legal_Pol_Wing	0.0814 (0.15)	0.0813 (0.15)	0.0813 (0.15)
Reb_Num	-0.304 (-0.94)	-0.304 (-0.94)	-0.304 (-0.94)
Reb_Mil_Aid	-16.12*** (-10.79)	-14.52*** (-9.72)	-14.50*** (-9.71)
Gov_Mil_Aid	-0.489 (-0.40)	-0.489 (-0.40)	-0.489 (-0.40)
Reb_Gov_Aid	25.48*** (8.91)	24.09*** (8.42)	24.03*** (8.40)
Reb_Interv	-18.16*** (-17.63)	-16.55*** (-16.06)	-16.54*** (-16.05)
Gov_Interv	0.217 (0.19)	0.217 (0.19)	0.217 (0.19)
Terr_Control	-0.850 (-1.11)	-0.850 (-1.11)	-0.850 (-1.11)
N	489	489	489

t statistics in parentheses
* p<0.05, ** p<0.01, *** p<0.001

Table 19. (Hypothesis 9) Police PMSCs Interacted with State Capacity to Punish

Variables	Model 1	Model 2	Model 3
Police_Hired	-22.65*** (-21.29)	-23.06*** (-18.30)	-13.07 (-0.85)
Police_Gov_Interv	-0.415 (-0.17)		
Police_Gov_Mil_Aid		0.711 (0.33)	
Police_logGDPpc			-1.452 (-0.63)
logGDPpc	-1.232 (-1.84)	-1.232 (-1.84)	-1.232 (-1.84)
EthFrac	-2.726* (-2.12)	-2.726* (-2.12)	-2.726* (-2.12)
EthnicClaim	-3.691** (-2.65)	-3.691** (-2.65)	-3.691** (-2.65)
Terr_Conflict	2.366* (2.52)	2.366* (2.52)	2.366* (2.52)
AllDrugs	0.602 (0.63)	0.602 (0.63)	0.602 (0.63)
HydroD	-0.411 (-0.60)	-0.411 (-0.60)	-0.411 (-0.60)
AllGems	-1.365 (-1.77)	-1.365 (-1.77)	-1.365 (-1.77)
Democracy	-23.05*** (-19.66)	-23.05*** (-19.65)	-23.04*** (-19.65)
Legal_Pol_Wing	0.140 (0.26)	0.140 (0.26)	0.140 (0.26)
Reb_Num	-0.299 (-0.89)	-0.299 (-0.89)	-0.299 (-0.89)
Reb_Mil_Aid	-18.83*** (-12.14)	-18.86*** (-12.16)	-18.90*** (-12.18)
Gov_Mil_Aid	-0.705 (-0.59)	-0.705 (-0.59)	-0.705 (-0.59)
Reb_Gov_Aid	18.36*** (5.79)	18.43*** (5.81)	18.33*** (5.78)
Reb_Interv	-21.24*** (-18.48)	-21.26*** (-18.50)	-21.28*** (-18.52)
Gov_Interv	0.393 (0.32)	0.393 (0.32)	0.393 (0.32)
Terr_Control	-0.865 (-1.08)	-0.865 (-1.08)	-0.865 (-1.08)
N	489	489	489

t statistics in parentheses
* p<0.05, ** p<0.01, *** p<0.001

Table 20. (Hypothesis 9) PMSCs Interacted with Logged GDP per capita, w/ Electricity

Variables	Model 1	Model 2	Model 3
PMSC_Hired	-13.92 (-1.49)		
PMSC_Hired_logGDPpc	-1.121 (-0.81)		
Military_Hired		-16.45* (-2.08)	
Military_Hired_logGDPpc		-0.747 (-0.65)	
Police_Hired			-8.597 (-0.65)
Police_Hired_logGDPpc			-1.308 (-0.66)
logGDPpc	-1.772** (-3.16)	-1.775** (-3.07)	-1.767** (-3.05)
Electricity	0.0191 (1.58)	0.0190 (1.59)	0.0196 (1.65)
EthFrac	-1.887 (-1.38)	-1.809 (-1.40)	-1.601 (-1.28)
EthnicClaim	-3.280** (-2.73)	-3.299** (-2.69)	-3.318* (-2.54)
Terr_Conflict	2.040* (2.07)	2.071* (2.09)	2.012 (1.87)
AllDrugs	0.552 (0.54)	0.583 (0.57)	0.655 (0.68)
HydroD	-0.536 (-0.61)	-0.579 (-0.66)	-0.687 (-0.84)
AllGems	-0.805 (-1.07)	-0.789 (-1.06)	-0.739 (-1.02)
Democracy	-19.94*** (-19.84)	-20.03*** (-20.72)	-15.70*** (-16.47)
Legal_Pol_Wing	-0.497 (-0.55)	-0.443 (-0.52)	-0.393 (-0.46)
Reb_Num	-0.338 (-1.04)	-0.366 (-1.13)	-0.356 (-1.09)
Reb_Mil_Aid	-18.49*** (-13.03)	-18.53*** (-12.99)	-14.49*** (-9.91)
Gov_Mil_Aid	-0.612 (-0.55)	-0.562 (-0.52)	-0.750 (-0.70)
Reb_Gov_Aid	27.85*** (11.89)	28.62*** (12.23)	12.56*** (5.10)
Reb_Interv	-19.32*** (-22.29)	-19.42*** (-22.16)	-15.38*** (-16.06)
Gov_Interv	0.0309 (0.03)	-0.0901 (-0.08)	0.0892 (0.08)
Terr_Control	-1.062 (-1.37)	-1.079 (-1.38)	-1.105 (-1.35)
N	489	489	489

t statistics in parentheses
* p<0.05, ** p<0.01, *** p<0.001

Results Summarized

My most robust finding is that states working with PMSCs lowers the hazard of state victory. This is true for PMSCs in general, for PMSCs that perform military tasks, and for

PMSCs that perform police tasks. Indicators intended to reflect a state's ability to monitor PMSCs were not shown to influence how PMSCs affect the risk of state victory. The argument that answering to multiple states cause PMSCs to delay state victory, and the argument that the presence of competition causes PMSCs to hasten state victory, are also not supported. The only factor that my analysis suggests might influence how PMSCs affect the risk of state victory is a state's level of wealth, as suggested by the fact that when the PMSC indicators are interacted with *logGDPpc*, the PMSC indicators no longer have a significant relationship with the risk of state victory. As such, my results offer strong support for the argument that working with PMSCs delays victory for states fighting civil conflicts, and limited support for the argument that PMSCs are less likely to delay victory for wealthier states fighting civil conflicts.

Discussion

Before discussing the implications of my two primary findings, I explore possible explanations for why my hypotheses were largely not supported in my models. There may be some overriding factor of set of factors that when controlled for, would reveal that my indicators do indeed influence how PMSCs affect the risk of state victory. In principal agent theory, there are three types of factors that influence how hard agents work to deliver positive outcomes to their principals: those that influence the extent to which the principal's and agent's interests overlap; those that influence the extent of the agent's information advantage over the principal; and those that influence the agent's beliefs about whether and how severely they will be punished for shirking. I did not include any indicators meant to reflect factors that influence the extent to which the principal's and agent's interests overlap in my analysis, because I focused on factors that states can influence, and I argued that there is little that states can do to align the

interests of PMSCs with their own. Since PMSCs are motivated by a desire for higher profits, I argued that the only way for states to align PMSC interests with their own is by offering them performance-based incentives. Yet since there are so many factors that influence whether and when states win civil conflict, it believed that PMSCs would not accept payments based on their performance, because PMSCs do not want to end up not being paid if some factors outside their control make state victory impossible to deliver. However, after seeing my results, I must reconsider whether there are factors that influence how closely aligned PMSCs' interests are with those of their client state's. One of these factors may be how much PMSCs rely on any one state for payment. If PMSCs have personnel working for multiple clients, they may decide to shirk smaller clients and focus their resources working for larger clients. Alternatively, PMSCs are often closely associated with mineral extraction companies, so even if they agree to work for states fighting civil conflicts, their true goals may be to preserve and increase these corporations' access to natural resources rather than actually helping the state defeat rebels. It is also possible that PMSCs are not strictly motivated by long term profits. I distinguished PMSCs from more ad-hoc mercenary-like actors because I thought that as corporations, PMSCs would want to survive as organizations. It may be possible, however, that PMSC personnel may not care about the long-term interests of the corporations they work for, and are more interested in maximizing their payout from a single job. For all of these reasons, future studies that seek to explore when PMSCs help states win civil conflicts should take into account what percentage of PMSC income comes from the state fighting the civil conflict, and how this income is paid out, in order to capture how closely the PMSC financial interests align with the strategic interests of their client state.

Turning to the implications of my two primary findings, there are several explanations why PMSCs would be less likely to delay victory for wealthier states. First, it could be because wealthier states can monitor PMSCs more easily. Wealthier states have more material resources at their disposal, and are better able to finance government institutions that can keep track of what PMSCs are doing. Another explanation is that wealthier states have effective military capabilities of their own, which can be used to hold PMSCs accountable. Alternatively, wealthier states may have the resources to screen PMSCs before hiring them, and therefore, tend to hire better quality PMSCs. Determining which of these explanations have merit requires researchers in future studies to utilize case studies or small-n comparative studies in order to learn whether there are differences in how poorer and richer states work with PMSCs and try to hold them accountable. However, since the interactions between PMSC indicators and logged GDP per capita were not themselves statistically significant in my models, but only eliminated the significance of the PMSC indicators, future research should also find stronger evidence that a connection between state wealth and PMSC performance even exists before investigating why it exists.

The strongest finding in my analysis is that, with the exception of those that included the interactions between PMSC indicators and logged GDP per capita, all of my models show that PMSCs reduce the hazard of state victory. Moreover, with the possible exception of a state's level of wealth, my models do not provide evidence that any particular factor reduces this effect. As such, my analysis suggests that turning to PMSCs for help defeating rebel groups is a mistake. These findings support the critical view of PMSCs. As discussed in Chapter 2, advocates of PMSCs claim that because they are professional market-oriented actors that deliver

specialized military and security services, PMSCs should help states defeat rebel groups quickly and efficiently. My analysis undermines this view. As such, if PMSC advocates want to maintain their position, they need to explain why states working with PMSCs correlated with lower hazard rates of state victory in my analysis.

Conclusion

My statistical analyses ultimately did not yield many positive findings, as most of my hypotheses found little to no support. Nevertheless, my analysis offers guidance for future research. First, in order to effectively utilize statistical analyses to investigate when states fighting civil conflicts work with PMSC and whether doing so brings about positive outcomes for states, new indicators for state and PMSC characteristics need to be developed. How threatening rebels are to states, the degree to which states can fight rebels alone, the extent to which domestic actors scrutinize and try to control state leaders, and the degree to which states are influenced by neoliberalism are all factors that could affect when states work with PMSCs. The feasibility of working with alternative mercenary-like actors or utilizing diplomatic strategies to deal with rebels are other factors that could affect when states fighting civil conflicts work with PMSCs. Without reliable and valid indicators that reflect these concepts, it is difficult to utilize statistical analyses to determine when states fighting civil conflicts work with PMSCs. In turn, precise indicators that reflect a state's capacity to monitor PMSCs, punish PMSCs, and align PMSC interests with their own also need to be developed. Without reliable and valid indicators that reflect these concepts, it is difficult to utilize statistical analyses to determine when PMSCs help states win civil conflicts.

In addition, new methods for distinguishing different types of PMSCs need to be developed. While different indicators were significant in different models, my analysis did not show that any factor consistently predicts when states work with PMSCs. This result suggests that there likely are not many factors that cause states fighting civil conflicts to work with PMSCs in general. Rather, different factors motivate states to work with different types of PMSCs. As such, my analysis suggests that PMSCs need to be further differentiated in order to identify what factors cause states to utilize PMSCs to perform specific types of tasks.

Lastly, my analysis does offer limited support for a few key arguments. First, that states are more likely to work with PMSCs that perform military tasks when multiple factors make states more threatening to states, and when states are poorer. Second, states are more likely to work with PMSCs that perform police tasks when domestic actors have motivation and opportunity to scrutinize state leaders. Third, that PMSCs tend to delay victory for states. Lastly, that PMSCs are less likely to delay victory for wealthier states. Future studies that seek to explore when states fighting civil conflicts work with PMSCs and when PMSCS help states win civil conflicts should seek to confirm undermine these arguments.

In the next chapter, I seek to overcome some of the limitations of my statistical analysis examining why states hire PMSCs by examining the Nigerian government's decision to hire the PMSC STTEP in 2015. This will allow me to test how well existing theories for PMSC hiring fit the evidence from a specific case without relying on a broad set of indicators, as well as to determine whether there are factors that affect when states fighting civil conflicts hire PMSCs that my statistical analysis cannot detect. By looking closely at this specific case, I should be able

to see what factors were important in motivating the Nigerian government to hire a PMSC, which may reveal important factors that motivate PMSC hiring in general.

CHAPTER SIX

NIGERIA'S USE OF PMSCs IN 2015

In Chapter Two, I showed how most studies that examine why states hire PMSCs tend to rely on evidence from cases of developed democracies. As such, I argued that existing theories for PMSC hiring are not very applicable to developing states fighting civil conflicts. In Chapter Five, I tested four hypotheses that attempt to explain when states fighting civil conflicts are more likely to hire PMSCs using a broad statistical analysis. In this chapter, I examine the Nigerian government's decision to hire the PMSC STTEP in 2015 for help combating Boko Haram. Examining this case in depth is useful because it allows me to look beyond the necessarily broad indicators I used to test my hypotheses for PMSC hiring in my statistical analysis by examining the specific historical context within which the Nigerian government chose to hire a PMSC. In doing so, I will be better able to determine if my own hypotheses, as well as existing theories for PMSC hiring, perform better when I can take into account important contextual factors that cannot be detected in a broad statistical analysis. In addition, Nigeria is a developing state with far more limited military capabilities than most developed democracies that work with PMSCs, and in 2015 it was fighting a civil war against one of the most powerful insurgent groups in its history. As such, since most of the evidence used to support theories for PMSC hiring come from cases of developed democracies, this case has the potential to reveal new contexts within which states hire PMSCs. Lastly, this case has been understudied in the PMSC literature, making it an ideal case for expanding our understanding of why states hire PMSCs in general.

In the remainder of this chapter, I use secondary sources to provide an overview of the Nigerian government's war with Boko Haram up to when it hired STTEP in early 2015. I then discuss how well the functionalist, post-instrumentalist, and ideationist explanations for PMSC hiring outlined in Chapter Two can explain why the Nigerian government hired STTEP. I conclude by discussing how insights from this case can explain other instances of developing states hiring PMSCs in civil conflicts, thereby providing evidence that such states hire PMSCs not necessarily because they view them as reliable and cost-effective means for solving security problems, but because their own forces have proved ineffective and they are desperate for help in a war they might otherwise lose.

War with Boko Haram

At the start of 2015, the Nigerian government's war with Boko Haram was approaching a crisis point. Boko Haram killed 6,644 people in 2014,[1] which was 5,049 more than in 2013, and more than any other terrorist group in the world. In April 2014, the group kidnapped 276 schoolgirls and announced their intention to sell them into slavery. Five month later, they announced that they were establishing an Islamic caliphate in northeastern Nigeria that would enforce a strict version of Shariah law. By the end of 2014, their version of Shariah law was fully established in nine and partially established in three of Nigeria's thirty-six states (GTI 2015, 41). Then, in the first week of 2015, Boko Haram attacked the town of Baga, the last town under government control in the state of Borno and host to the Joint Task Force (JTF) responsible for combating Boko Haram. Musa Alhaji Bukar, the senior government official in the area, told the BBC that over 2000 people might have been killed in the attack, although later government reports claim that the number was closer to 150. Regardless of the exact number of casualties,

[1] Global Terrorism Index

Baga and the surrounding villages were destroyed, all residents from the area including all JTF personnel were forced to flee, and the Nigerian government had experienced one of the biggest military defeats in its history.

While acknowledging ethnic and religious tensions in the country, Adesoji argues that the success of Boko Haram "was an indictment of the state, whose seeming ineptitude was becoming apparent with regular outbreaks of violence of many kinds despite the state's continuous promises to check them" (Adesoji 2010, 96). Indeed, the initial clash between the government and Boko Haram occurred in July 2009 when police confronted several Boko Haram members on their way to a funeral and ordered them to wear motorcycle helmets. In the confrontation that followed several of the members were killed. Boko Haram's leader at the time, Mohammed Yusuf, responded by unleashing a wave of violence across five northeastern states. Bavier and Kurzen describes the response from the Nigerian government:

> Federal soldiers deployed to rein in the group were filmed summarily executing suspected militants in the streets. Yusuf was killed while in police custody. His body was discovered still wearing handcuffs. In total, over 1,000 people died in the fighting. Boko Haram was subsequently banned by the government. Its mosques were demolished, and its surviving members scattered and went underground. (Bavier and Kurzen 2012)

Here we see the beginnings of what would become a pattern: Nigerian forces responding to violence by Boko Haram with excessive force that ultimately sparks further violence. By 2010, Boko Haram had returned stronger than before. In September 2010, they attacked a prison in Bachi and freed 721 prisoners. On Christmas Eve, they detonated four bombs in the city of Jos. On New Year's Eve, they attacked an army barracks Abuja. In June 2011, they bombed the police headquarters in Abuja, and in September they bombed the U.N. headquarters in Nigeria. These attacks, as well as the many others not listed here, highlight the fact that Nigerian security

forces could not protect themselves from Boko Haram, let alone government officials or ordinary civilians.

By 2011 there was growing suspicion that there were government officials helping Boko Haram. In May, a spokesperson for Boko Haram reported to the BBC that members of the Nigerian army had helped them carry out an attack on a barracks. A spokesperson for the army rejected the allegations at the time, but in January 2012 President Goodluck Jonathan plainly stated in a speech that "some of them [Boko Haram] are in the executive arm of government, some of them are in the parliamentary/legislative arm of government while some of them are even in the judiciary […] some are also in the armed forces, the police and other security agencies" (Adetayo 2012). Yet for many civilians, whether there were officials inside the government and military helping Boko Haram was a moot point, as Nigerian forces were carrying out their own campaign of violence across the country. According to a report published by Human Rights Watch in 2012:

> Nigeria's government has responded with a heavy hand to Boko Haram's violence. In the name of ending the group's threat to citizens, security forces comprising military, police, and intelligence personnel, known as the Joint Military Task Force (JTF), have killed hundreds of Boko Haram suspects and random members of communities where attacks have occurred. According to witnesses, the JTF has engaged in excessive use of force, physical abuse, secret detentions, extortion, burning of houses, stealing money during raids, and extrajudicial killings of suspects. (HRW 2012)

According to a report published by the U.S. State Department in the same year:

> Impunity remained widespread at all levels of government. The government brought few persons to justice for abuses and corruption. Police and security forces generally operated with impunity. Authorities did not investigate the majority of cases of police abuse or punish perpetrators. Authorities generally did not hold police accountable for the use of excessive or deadly force or for the deaths of persons in custody. (U.S. State Department 2012)

In May 2013, President Goodluck Jonathan declared a state of emergency in the northeastern states of Borno, Adamawa, and Yobe. By September 2014, an estimated 430,000 people had fled those states, while an estimated 210,000 fled from neighboring states (Information Nigeria 2014). In May of 2014, Amnesty International released a video showing "what appear to be members of the Nigerian military and CJTF[2] using a blade to slit the throats of a series of detainees, before dumping them into an open mass grave" (Amnesty International 2014). Further investigation by Amnesty International confirmed that some of the men in the video were Nigerian military personnel extrajudicially killing suspected members of Boko Haram. In 2015, Human Rights Watch published a report outlining events in Nigeria in the previous year, noting numerous atrocities being carried out by Nigerian security forces, including the killing more than 600 detainees who fled from an attack by Boko Haram in the city of Maiduguri (HRW 2015). Vigilante groups were also found to have participated in the recruitment of child-soldiers and the extrajudicial killings of Boko Haram suspects. It was in this violent and chaotic environment that the government decided to hire STTEP.

Hiring STTEP

The Nigerian government hired STTEP in December 2014 on a three-month contract. STTEP's personnel were incorporated into the Nigerian army, and its chairman Eeben Barlow was appointed to the rank of major general (Nabiebu and Alobo 2019, 71). Comprised of former Apartheid-era military personnel from South Africa, "STTEP brought a group of highly skilled, trained and experienced soldiers who have conducted counterinsurgency warfare on the African continent since the 1980s" (Nabiebu and Alobo 2019, 71). Initially, STTEP was hired for the

[2] In response to the violence perpetuated by Boko Haram and Nigeria's security forces, civilians joined militias to protect themselves. In 2013, many of these militias joined together and formed the Civilian Joint Task Force (CJTF) (Nabiebu and Alobo 2019).

specific purposes of training a Nigerian military unit "with its own organic air support, intelligence, communications, logistics, and other relevant combat support elements" to rescue the Chibok school girls (Murphy 2015). This unit was trained in tactics that emphasized operational flexibility tailored toward a rescue mission (Murphy 2015). However, in response to territorial gains by Boko Haram, in January the Nigerian government changed STTEP's mission from training a rescue unit to training a rapidly deploying mobile strike force. Barlow explained in an interview that "the strike force was never intended to hold ground," and instead operated "on the principle of relentless offensive action" (Murphy 2015). Barlow went on to explain that "holding ground was the responsibility of the division where we operated, as was the exploitation of operational and tactical gains" (Murphy 2015). By eating on the go, attacking at night, emphasizing communications, and using helicopters to cycle in fresh troops and leap-frog ahead of insurgents, the mobile strike force maintained constant offensive pressure on Boko Haram. STTEP even brought an air wing to "fly a variety of missions that include CASVAC[3], MEDVAC[4], resupply runs, transporting troops, and even providing air support for the strike force" (Murphy 2015).

It is difficult to discern how well STTEP served the Nigerian government, as its time in Nigeria coincided with a multinational counteroffensive involving forces from Nigeria, Chad, Cameroon, and Niger[5]. The purpose of this counteroffensive was to "facilitate the elimination of safe havens and escape routes of terrorists in or out of Nigeria" (Odunsi 2015), and by these standards it was largely successful. Barlow gives credit to the Nigerian army for the gains made against Boko Haram during this time, claiming that STTEP acted as a force multiplier in support

[3] Causality Evacuation.
[4] Medical Evacuation.
[5] It is for this reason that I do not use this case to examine how hiring PMSCs affects civil conflict outcomes.

of the Nigerian army while it was present in the country (Murphy 2015). By March 2015, STTEP's contract had ended and most of its personnel had left the country.

Explaining the Decision to Hire STTEP

I will now examine how well functionalist, post-instrumentalist, and ideationist explanations for why states hire PMSCs fit the case of Nigeria hiring STTEP. Based on the information outlined above, the functionalist explanation seems to fit very well. Functionalists argue that states hire PMSCs in order to perform specialized military tasks that would either be too expensive or too difficult to perform autonomously. The Nigerian government initially hired STTEP to train a military unit capable of rescuing the Chibok school girls, a task that Nigerian security forces had not been able to perform. In response to territorial gains by Boko Haram, the Nigerian government then asked STTEP to train a mobile strike force capable of helping dislodge Boko Haram from the northeastern states, another task that Nigerian security forces had been unable to perform. While in Nigeria, STTEP focused on these tasks, leaving other military functions to the regular Nigerian army. As such, the argument that the Nigerian government hired STTEP to perform highly specialized military tasks that it was not capable of performing autonomously fits the evidence.

Yet there are differences between the case of Nigeria hiring STTEP and cases of developed democracies searching for the most cost-efficient way to deal with a wide range of evolving security threats. The single biggest security threat for the Nigerian government in 2015 was an insurgent group that had succeeded in breaking its internal monopoly over the use of force, and in the process had demonstrated that the Nigerian government was not capable defending itself or its citizens. Moreover, in declaring a new caliphate in the northeast, Boko Haram had quite literally announced to the world that the Nigerian government no longer

possessed sovereignty over part of its territory. Therefore, the case of the Nigerian government hiring STTEP suggests that basing the functionalist explanation for PMSC hiring on evidence solely from secure developed democracies misses the fact that states face different kinds of security problems that cause them to hire PMSCs. When the Nigerian government hired STTEP, it was not trying to find the most cost-efficient way to perform a wide range of specialized and technical military tasks necessary for maintaining an effective military presence on multiple continents like the U.S. or U.K.; it was trying to find a way to deal with an internal threat capable of destabilizing the whole state. As such, this case provides evidence that while some states do indeed hire PMSCs in order to enhance their capacity to respond to security problems, it is not necessarily because they think that PMSCs are reliable or cost-efficient, but because they are desperate to quickly enhance their military capabilities in the face of an immediate existential threat.

Post-instrumentalist explanations for why states hire PMSCs focuses on military leaders' desire to avoid domestic oversight, particularly in liberal democracies where actors outside the military have the means to monitor military activity. As such, for post-instrumentalist explanations to fit the case of Nigeria hiring STTEP, actors outside the military would need to have the means and motivation to effectively monitor the military. And indeed, with the founding of the Fourth Republic, Abdulsalami Abubakar enacted a series of democratic reforms meant to give civilians more control over the military. Among these included retiring officers who held political offices in the past, establishing a Human Rights Investigation and Violation Commission, and initiating a program of re-professionalization for the military (Miller 2016). Ukase (2014) even argues that the 1999 constitution ties to existence of the military to Nigeria's

National Assembly, as the Assembly has the right to legislate on all military matters including the appropriation of resources.

Nevertheless, these reforms "have not led to a strong or comprehensive institutionalized civilian control or to effective oversight of the armed forces in Nigeria" (Miller 2016, 1). One reason for this is that after decades of military rule, most legislators lack the experience to check military leaders (Lewis 2014). Defense committees largely rely on the expertise of those legislators who are retired military personnel, and these members rarely act against the interests of the military. This problem has not diminished with time due to the high turnover rate among members of the National Assembly (Miller 2016, 38). In addition, the National Assembly generally has limited funds to hire and equip staff (Lewis 2009), and most Nigerian political parties lack any kind of comprehensive political agenda (Okoye and Nnabugwu 2008), making it difficult to acquire the resources or political will necessary to check the military. Moreover, "the National Assembly colludes with the executive to hide information on the defense sector from the general public" (Omitoogun and Hutchful 2006, 175). Sessions of the defense committees are not public, and there are several accounts used to augment military spending that the National Assembly cannot regulate.[6] As such, "since the return of democratic governance in 1999, the legislature in Nigeria [has] been unable to demonstrate the capacity to effectively subordinate the military to civilians in the areas of appropriation, constitutional reforms, lawmaking, oversight functions, foreign policy, and national security" (Ukase 2014, 11).

Post-instrumentalists also argue that military leaders use PMSCs to avoid political backlash caused by the media reporting on military casualties. Yet according to a study that looks at how military casualties were reported in a sample of articles from four Nigerian

[6] These accounts include the Petroleum Savings Trust Fund, The Nigeria Trust Fund, the Stabalization Account, the Oil Windfall and Special Debt Accounts, and External Loan Savings (Omitoogun and Hutchful 2006, 176).

newspapers[7] from 2014 to 2016, the Nigerian media actually avoided reporting on military casualties during that time (Ndinojuo et al. 2019). Out of the 185 articles on military operations analyzed in that study, only 33 (18%) reported on military casualties at all, and of these a majority hid the information in the body or conclusion of the article. In none of the articles was the Nigerian military ever blamed for these casualties, and a majority of the images analyzed depicted scenes that portrayed the military in a positive light without ever showing dead or injured soldiers. As such, Ndinojuo et al. provide evidence that Nigeria's media actually gave the military favorable coverage regarding military casualties.

Post-instrumentalists also argue that military leaders hire PMSCs to perform illicit or unpopular tasks in order to maintain a level of plausible deniability, but here again, this argument does not fit the case of Nigeria hiring STTEP. It is difficult to imagine that the public would condemn the Nigerian government for trying to rescue the Chibok school girls, and according to a PEW Research survey conducted in the spring of 2014, 79 percent of Nigerians reported having a very unfavorable view of Boko Haram (PEW 2014). As such, with the thousands of people killed by Boko Haram, and the hundreds of thousands of people displaced by the conflict, the idea that the Nigerian government would hire STTEP in order to distance itself from efforts to rescue the Chibok school girls and defeat Boko Haram does not make much sense.

This takes us to discussing how well ideationist explanations fit the case of the Nigerian government hiring STTEP. Ideationist explanations focus on how neoliberal norms influence the extent to which states and their militaries are willing to delegate tasks to private actors. The scholarship on the dominant political parties in Nigeria from 1999 to 2015 suggests that Nigeria's leaders were not particularly committed to a neoliberal worldview. Okoye and

[7] These newspapers were Daily Trust, Premium Times, The Nation, and Vanguard.

Nnabugwu argue that "most of the post-military political parties are not only non-ideological but have comes to power without known manifestos or identifiable programs" (Okaye and Nnabugwa 2008, 186). According to Omotola, "the dominant themes in Nigerian parties seem to be ethnicity, religion and money at the expense of a steadfast dedication to well-defined beliefs and principles of action" (Omotola 2009, 629). Katsina (2016) argues that the dominant political party in Nigeria from 1999 to 2015, the People's Democratic Party (PDP),[8] also lacked a clear political ideology. Based on an analysis of the PDP's constitutions and manifestos, he finds that the PDP "suffered from absence of coherent ideological principles" and acted more as a "catch-all party quick to stretch its principles and policies to accommodate conflicting interests" (Katsina 2016, 5).

However, from the 1980s into the 2000s the Nigerian government did enact a series of reforms meant to reduce its role in the market and promote the privatization of state enterprises (Donli 2004; Guseh and Oritsejafor 2007; Ekanade 2014). These reforms were initially triggered in the early 1980s by a significant drop in oil prices, coupled with a spike in internal and external debt, that forced the government to adopt aspects of a Structural Adjustment Program (SAP) sponsored by the IMF. Under this program, "the size of government was to be pruned to reduce wastage and make it more efficient" (Donli 2004, 16). In 1982, President Shehu Shagari introduced the Economic Stabilization Act to "control imports, introduce more discipline into the monetary system, and narrow the gap between public expenditure and income through cuts in government expenditure" (Ekanade 2014, 7-8). In 1985, President Ibrahim Babangida adopted an adjustment program that dissolved many public enterprises, including the Nigerian National Supply Company which had previously sold essential committees to Nigerians at below market

[8] The PDP won the presidency and the most seats in both houses of the National Assembly in all four elections between 1999 and 2011.

prices (Ekanade 2014, 10). The SAP was eventually disbanded by President Sani Abacha in 1994, but Abacha's own economic policies did not differ significantly from those contained in the SAP (Guseh and Oritsejafor 2007, 144-5). In 1999, President Olusegun Obasanjo "invited the International Finance Corporation (IFC), the private sector arm of the Bretton Woods institutions to advise the nation on privatization" (Ekanade 2014, 14). That year, the government enacted the Public Enterprises (Privatization and Commercialization) Act, which created the National Council on Privatization and the Bureau of Public Enterprises, the latter of which being tasked with overseeing the privatization of public enterprises approved by as Council (Ehiorobo 2018). By 2003, Obasanjo began implementing policies outlined in the National Economic Empowerment and Development Strategy (NEEDS) document, which included "the renewal of the privatization program, liberalization, de-regulation, infrastructural development, [and] provision of strategic support to key productive sectors" (Donli 2004, 20). As such, while Nigeria's political leaders may not have been strongly committed to any particular ideology, in the decades prior to hiring STTEP, the Nigerian government did undergo reforms that promoted the privatization of state enterprises as a means for cutting government spending. This evidence supports the ideationist view that states are more likely to hire PMSCs when they view privatization as a legitimate and effective means for achieving their goals.

Ideationists also argue that the security challenges militaries face overtime shapes how they define their core missions, which in turn influences the degree to which they are willing to delegate tasks to PMSCs. For this type of ideationist explanation to fit the case of the Nigerian government hiring STTEP, the tasks of training specialized military units to rescue the Chibok school girls and dislodge Boko Haram from the northeastern states would need to fall outside the Nigerian military's historical role. Starting with the first of these tasks, rescuing hostages from

militant groups did represent a relatively new security challenge for the Nigerian military in 2015. While kidnapping had been a problem in Nigeria for decades, kidnappings by militants became a problem in June 2006 when members of the militant group MEND kidnapped foreign oil workers to bargain with the government for the release of Mujahid Asari Dokubo (Chinwokwu and Michael 2019). Instead of releasing Dokubo, the government paid MEND to release the workers. Seeing this, later that year militants kidnapped four expatriates and demanded the government pay them $1.5 billion for their release. The government paid this ransom as well. According to Chinwokwu and Michael, "this payment led militants to believe that they could become millionaires quickly by kidnapping individuals and demanding a ransom" and represented "the beginning of modern kidnapping for ransom in Nigeria (Chinwokwu and Michael 2019, 20). In the beginning, most of these kidnappings occurred the Niger Delta region, and hostages were typically released after their captors received their ransom (Ngwama 2014). With the resurgence of Boko Haram in 2010, kidnapping became a problem in the northeast as well, only there it was not only a means to exploit the state, but a tactic "to expose the weakness of the Nigerian state by showing its inability to protect both its citizens and foreigners alike" (Mohammed 2014, 29). As such, rescuing the Chibok school girls did represent a relatively new type of security problem for the Nigerian military, particularly when the government tended to handle kidnappings by paying the ransom.

In turn, counter insurgency (COIN) was also a relatively new role for the Nigerian military. For most of its history the Nigerian military's internal role was largely defined by the legacy of its war against Biafra separatists from 1967 to 1970 (Omeni 2018). Government forces won a decisive victory in this war using conventional forces, with little need to develop COIN capabilities. According to Omeni, "this victory […] would have implications for the military's

internal function and its perception of how best to deal with internal threats" (Omeni 2018, 14). The decisive nature of the victory encouraged "institutional inertia against reform to the militaries offensive thinking, doctrine and action set" while the conventional nature of the victory "retarded the development of counter-insurgency" (Omeni 2018, 15). As such, "the Nigerian military's post-war action set suggested that offensive ideology, and the pre-eminence of the infantry, insofar as both had proved instrumental to winning the war, should constitute the Army's underpinning approach – its doctrine – going forward" (Omeni 2018, 15). After the civil war, the Nigerian government viewed neighboring Francophone states as major threats, as France and former French colonies Ivory Coast and Gabon had supported the Biafra separatists (Nwokedi 1985; Venter 2016). As such, during the 1970s, the Nigerian military shifted its focus towards meeting conventional military threats from neighboring states. With the signing of the Economic Community of West African States (ECOWAS) Defense Protocols between 1978 and 1981, "strategic culture remained outward-looking but was now leaning towards a role-playing and collaborative posture within the region" (Omeni 2018, 24-5). The Nigerian military's lack of preparedness for domestic COIN operations manifested for the first time in the 1990s during its conflicts with militant groups in the Niger Delta (Hill 2012; Ukeje 2011; Hazen 2009; Hazen and Horner 2007; Okonta and Douglas 2003). During these conflicts the Nigerian military relied on the use of overwhelming conventional military force, as it did during its earlier civil war, while "such matters as the development of counter-insurgency as a response to a major irregular domestic threat were swept under the carpet or poorly instituted" (Omeni 2018, 73). It was not until 2011 that the Nigerian military began working with the U.S. and U.K. militaries to develop COIN capabilities, and as described above, it was not until 2015 that the Nigerian military started seeing sustainable success against Boko Haram. Thus, the tasks of training military units

that could rescue the Chibok school girls and help dislodge Boko Haram from the northeastern states did represent functions outside the Nigerian military's historical role.

In sum, the narrative outlined above suggests that the Nigerian government hired STTEP in order to perform a set of tasks that its own security forces had proved incapable of performing, likely because these tasks fell outside the Nigerian military's historical role. Despite the risks that come with working with PMSCs, after years of failure by its own security forces, the international outcry over the kidnapping of the Chibok, and the challenge Boko Haram presented to its status as a sovereign state, the government had to do something to turn the tide of the war. In contrast, the idea that the government hired STTEP in order to save money on training specialized military units, or because it was trying to avoid domestic oversight, does not fit the evidence. In turn, while Nigeria's leaders were not particularly ideological, the government had undergone decades of reform that legitimized the privatization of government functions, which may explain why the government turned to a PMSCs instead of another type of actor.

Conclusion

The narrative outlined above supports the following conclusions. First, the broad functionalist explanation for why states hire PMSCs fits the case of the Nigerian government hiring STTEP, but it also fails to recognize that states face different kinds of security problems that motivate them to hire PMSCs. In the case of Nigerian government hiring STTEP, the security problem was an insurgent group that had killed thousands of people, displaced hundreds of thousands more, and had claimed the northeastern part of the country as its own. In other words, the Nigerian government was facing an immediate existential threat, not merely a growing defense budget, which undermines the argument states hire PMSCs because they view

them as a cost-effective means for solving security problems. In this case, the impetus was desperation to avoid defeat, not efficiency.

Second, post-instrumentalist explanations for why states hire PMSCs do not fit the evidence from this case. Nigeria's civilian government did not have the resources, expertise, or motivation to check the military, there is evidence that the media provided the military with positive coverage of its war with Boko Haram, and the tasks that STTEP was hired to perform would not have been unpopular or illegal. These facts challenge the narrative that PMSCs become involved in civil conflicts because they are bad actors willing to help states get away with unpopular or illicit tasks. The Nigerian government hired STTEP to help it rescue kidnapped school girls and dislodge the deadliest terrorist group in the world from the northeastern part of its territory, which are hardly tasks it would want to distances itself from.

Third, ideationist explanations do offer some insight into why Nigeria hired STTEP, particularly the theory that states hire PMSCs to perform tasks that fall outside of the military's historical role. The theory that states embedded with a neoliberal ideology are more likely to hire PMSCs also received limited support from this case, as the Nigerian government had demonstrated a commitment to privatizing government industries, even though its leaders were not particularly ideological. This evidence suggests that states fighting civil wars do not decide whether to hire PMSCs based solely on material calculations; political and military ideology also play a role.

These findings have implications for the debate between PMSC advocates and critics. One of the biggest selling points that advocates emphasize when arguing for the utility of hiring PMSCs is that market forces provide sufficient incentives for PMSCs to act as reliable and cost-effective alternatives to using national troops (Brooks 2000a; 2000b; Shearer 2001; McCoy

2010; McFate 2014). Acting in any other way would supposedly be bad for business. But what if the client is a developing state weakened by civil war that only hired a PMSC out of desperation to save itself from an immediate existential threat? Under such conditions, the PMSC would have significant leverage over the state, because the state needs the PMSC more than the PMSC needs the state. Moreover, states weakened by civil war are less likely to have the resources to make hiring PMSCs cost-effective, as they lack the resources to monitor and provide PMSCs with incentives to work hard. As such, the case of the Nigerian government hiring STTEP demonstrates that states sometimes hire PMSCs when they are least capable of controlling them, and under such conditions, PMSCs have may ignore market forces and exploit states.

For PMSC critics, the case of the Nigerian government hiring STTEP shows that any push to persuade states to not hire PMSCs needs to consider the fact that some states do so because it may be the only means they have to avoid losing a civil war. As PMSC advocate Shearer asks, "if a private force, operating with international authority and within international law, can protect civilians, how moral is it to deny people protection just because states can't or won't find the forces to do it?" (Shearer 2001, 30). PMSC critics need to be able to answer this question. For years, the Nigerian military failed to stop the rise of Boko Haram, and by 2015 Boko Haram was the deadliest terrorist organization in the world with control of a significant portion of Nigerian territory. If hiring a PMSC was the only way the Nigerian government could develop military units capable of rescuing the Chibok school girls and dislodging Boko Haram from the territory it controlled, then the decision seems justified.

Indeed, the idea that states fighting civil conflicts tend to hire PMSCs out of desperation rather than because they view them as reliable or cost-effective actors fits the evidence from other famous cases. In March 1993, the Angolan government was losing a conflict with the rebel

group UNITA, had succeeded in capturing several provincial capitals as well vital government oil facilities in the town of Soyo (Singer 2003, 108). Without aid from its old Soviet allies, and with its own military unable to take back the territory, the government turned to the PMSC Executive Outcomes, which formed an 80-man commando unit and retook the town Soyo by the end of March. By September, the government had signed a one-year contract with Executive Outcomes to help train its army and to direct front-line operations. In the beginning of 1995, the newly formed government of Croatia was losing its war against Serbian rebel groups supported by the Serbian government in Belgrade, which held approximately thirty percent of Croatian territory (Avant 2005, 103). In January, the government hired the PMSC MPRI to help retrain and restructure its army. By the end of the year, the newly trained and equipped Croatian army had taken back all but four percent of its territory in operations Flash and Storm, and later that year the government signed the Dayton Accords and ended the war. Also, in 1995, the government of Sierra Leone was out of money, most of the countries diamond mines were under RUF control, and the RUF was advancing towards the capital. Then in April, the government hired Executive Outcomes, and within nine days they had helped Sierra Leone's army turn the tide of the conflict and pushed the RUF back 126 kilometers into the country's interior (Singer 2003, 113). In all of these cases, the government turned to PMSCs for help when they were close to losing their respective conflicts, which are not conditions under which leaders can weigh all of the financial and moral implications of their decision to hire a PMSC. As such, this case study supports insights from the previous chapter which indicate that some security problems, such as lacking sufficient military capabilities to combat an increasingly aggressive insurgency, outweigh the risks that come with hiring PMSCs, which can explain why some states hire PMSCs even though there are considerable risks to doing so.

CHAPTER SEVEN

CONCLUSION

In the preceding chapters, I sought to answer two questions: what factors influence whether states fighting civil conflicts work with PMSCs, and when do PMSCs help states win civil conflicts. These questions must be addressed together. If PMSCs consistently help states win civil conflicts, then this fact would go a long way towards explaining why states work with them. If PMSCs tend to delay state victory, then the fact that states fighting civil conflicts have and continue to work with them becomes all the more puzzling. In turn, whether or not PMSCs help states win civil conflicts likely depends on the conditions under which they are hired. As such, although I have approached each question separately so far, the results of each of my two analyses offer insights into how I should interpret the results of the other. In this concluding chapter, after reviewing the preceding chapters, I examine the results of each of my two analyses in light of the other in an attempt to offer more complete answers to my two questions. In doing so, I discuss the implications of my research for both academics and policymakers.

The Puzzle of PMSCs in Civil Conflicts

Modern states are usually defined by the institution of sovereignty, possessing a formal monopoly over the right to use force within a defined territory. The genesis of state sovereignty is traditionally understood to be found in the Peace of Westphalia, which includes a set of treaties that ended the Thirty Years War and enshrined state sovereignty as the organizing

principal for European politics (Krasner 1988; 1993; 1995/96; Reus-Smit 1999; Ruggie 1983; 1993; Teschke 2003). Over time, due to the success European states had in consolidating power both within their borders and across the globe, state sovereignty eventually becoming the dominant organizing principal for global politics. In practice, states' monopolies over the right to use force have and continue to be challenged by a host of various actors, including states themselves. After the Cold War, many IR scholars recognized that state-centric theories were too narrow in scope and made efforts to conduct research that recognized the power non-state actors wield in the international system (Risse et al. 1995; Rosenau 1995; Moravcsik 1997; Finnemore and Sikkink 1998; Keck and Sikkink 1998; Price 1998). Nevertheless, the idea that states are defined by the extent to which they maintain their monopoly over the right to use force within their territory remains powerful. Moreover, regardless of how well states manage to maintain their monopolies over the use of force in practice, the idea that they have a strong interest in doing so remains the conventional wisdom. In a system where states are the dominant political actors, state leaders have strong incentives to consolidate power and eliminate rival actors that might weaken their claim to be the sole legitimate governing authority within a territory.

Here we arrive at the puzzle that inspired this dissertation. If modern states have such strong interests in maintaining their formal monopolies over the right to use force, why are so many states outsourcing military and security services to entities generally known as PMSCs? PMSCs are private military and security actors that are not under the permanent control of any state, have their own leaders, possess interests different from those of states, and often possess military capabilities that rival and sometimes even surpass those of states. If one accepts the conventional wisdom regarding states' interests in consolidating military power, particularly

within their own borders, the act of states choosing to weaken their monopoly over the use of force by delegating military and security tasks to private actors is puzzling. Yet since the early 1990s, states have been turning to PMSCs for help managing their national security (Kinsey 2006; Stranger 2009; Dunigan 2011; Kruck 2014; McFate 2014; Krahmann 2016). This trend is not limited to any particular region or type of state. Two general questions follow from this observation: why do states hire PMSCs to manage aspects of their national security, and what are the consequences of this decision for states' national security interest.

I narrowed my focus to the relationship between PMSCs and states fighting civil conflicts. I did this to simplify contrasting arguments for why states should or should not work with PMSCs. States fighting civil conflicts stand to gain more than other states from working with PMSCs because they are generally weaker and dealing with existential threats from rebels. For such states, working with PMSCs could greatly enhance their military capabilities and help preserve their existence. However, such states also face greater risks than other states when working with PMSCs, because ongoing civil conflicts inhibit their ability to hold PMSCs accountable. If states cannot offer PMSCs sufficient incentives to follow orders, and cannot credibly threaten punishment for PMSCs that work against their interests, there is a real risk, as my study suggests, that PMSCs will pursue their own interests in the conflict at the expense of their client. In addition, while states' broad national security interests are often difficult to discern, during civil conflicts one can assume that states have an interest in winning the conflict. This assumption allows me to test whether working with PMSCs helps states achieve a measurable desired outcome. For these reasons, I have chosen to investigate why states hire PMSCs and what the consequences of this decision are for states' national security interest by

focusing on states fighting civil conflicts. As such, I ask two specific questions: what factors influence whether states experiencing civil conflicts work with PMSCs, and when do PMSCs help states win civil conflicts.

Theories and Hypotheses

The current literature on why states work with PMSCs does not offer sufficient explanations for why states fighting civil conflicts would work with PMSCs. This literature tends to focus on the hiring practices of secure developed democracies, particularly in the context of the wars in Iraq and Afghanistan. The theories developed from these cases tend emphasize cost-effectiveness, the desire for military leaders to avoid political oversight, and the strength of neoliberal norms in a country (Kruck 2014; Cusumano 2015; Fahn and Hadjer 2015). I believe that such theories are difficult to apply to states fighting civil conflicts. Secure states fighting foreign wars can base their decisions on whether to delegate tasks to PMSCs on expected costs-effectiveness. States fighting civil conflicts face more immediate existential threats that require a different kind of decision-making calculus, whereby the desire to survive in the short-term can override concerns about cost-effectiveness. A desire by military leaders to avoid political oversight also does not serve as a strong explanation for why states fighting civil conflicts work with PMSCs, because such states tend to be relatively weak and non-democratic. In such states, actors outside the executive branch and the military tend to lack the opportunities and capabilities to scrutinize military decision-making. States fighting civil conflicts also tend to be located outside of the West, where neoliberal norms are not as influential and are often viewed as a continuation of European imperialism rather than as a legitimate political ideology. For these reasons, I argue that the theories developed to explain military and security outsourcing by

developed democracies fighting in foreign wars do not offer strong explanations for why states fighting civil conflicts work with PMSCs.

Using principal-agent theory, I developed four hypotheses that can plausibly explain when states fighting civil conflicts work with PMSCs. Principal-agent theory was developed to explain relationships between actors that want a particular task completed, called principals, and actors that principals delegate tasks to, called agents. In every principal-agent relationship, agents are expected to try and get away with some amount of shirking, or behavior that advances their interests over those of their principal's. The fundamental explanation for why principals delegate tasks to agents when they know that agents always have motives and opportunities to shirk is that delegating a task sometimes offers a better chance that the task will be successfully carried out, even though the agent gets away with some shirking. In the context of states trying to win civil conflicts, delegating military or security tasks to PMSCs may offer a better chance that the state will win the conflict than if the state tries to fight without the help of PMSCs. I offer four conditions under which states fighting civil conflicts should be more likely to view working with PMSCs as a more viable means for winning civil conflicts than not working with PMSCs: (Hypothesis 1) when rebels are more threatening to states; (Hypothesis 2) when states have fewer military capabilities of their own; (Hypothesis 3) when domestic actors have more motivation and opportunity to exercise political oversight over military leaders; and (Hypothesis 4) when states are reliant on aid from actors committed to neoliberal norms. These hypotheses are all grounded in the logic that states fighting civil conflicts will delegate tasks to PMSCs when they believe that it is more likely that a task will be successfully carried out if it is delegated, rather than if they try to handle the task autonomously. The second, third, and forth hypotheses also

represent modifications of the theories developed to explain military and security outsourcing among developed democracies fighting foreign wars.

The current literature also does not sufficiently answer whether and when PMSCs help states win civil conflicts. Most scholars that study PMSCs tend to either be advocates, who believe that PMSCs can help states defeat rebels quickly at relatively little cost, or critics, who believe that PMSCs prey on weak states by shirking their responsibilities and prolonging conflicts to increase profits. Yet few scholars on either side of this debate have attempted to test their arguments against actual evidence, and those that have tend to rely on anecdotal evidence or small-n comparative studies. As such, while the current literature has overviewed different cases where PMSCs can be seen helping or hindering states fighting civil conflicts, we still lack general theories regarding when PMSCs can be expected to help states win civil conflicts. I have therefore used principal-agent theory to develop hypotheses that can plausibly explain when PMSCs are more likely to help states win civil conflicts. In principal-agent theory, there are three types of factors that influence how much shirking agents try to get away with: those that influence how well principals' and agents' interests align; those that influence how well agents can maintain information advantages over principals; and those that influence agents' beliefs about how they will be punished for shirking. I argue that when PMSCs are motivated to shirk, they will be more likely to do so, and thus be less likely to help states win civil conflicts. As such, I offer five conditions under which PMSCs should be more likely to help states win civil conflicts: (Hypothesis 5) when states are better able to monitor PMSCs; (Hypothesis 6) when media organization have more freedom to monitor PMSCs; (Hypothesis 7) when PMSCs do not

have to answer to multiple states; (Hypothesis 8) when PMSCs face competition from other PMSCs; and (Hypothesis 9) when states have greater capacities to punish PMSCs.

Analysis and Results

I tested my hypotheses using statistical analyses that utilized data from the Private Security Database, the Uppsala Conflict Data Program, and the Non-State Actors Dataset. Using these data, I constructed two datasets, both of which contains information on thirty-one states that fought civil conflicts between the years 1990 and 2007. The first dataset contains data for a set of 286 unique conflict-years regarding what states worked with at least one PMSC in a country-year, as well as indicators meant to reflect the underlying concepts contained in Hypotheses 1 through 4. With this first dataset, I utilized logit models to test what factors correlate with state working with at least one PMSC in a conflict-year. The second dataset contains data for a set of 157 dyad-episodes (containing 489 unique dyad-years) regarding how many years dyad-episodes lasted, whether they ended in state victory within the time period being studied, as well as indicators meant to reflect the underlying concepts contained in Hypotheses 5 through 9. With this second dataset, I utilized competing risk hazard models to test what factors correlate with PMSCs being more or less likely to delay or hasten state victory.

The results of my analyses offer limited support for a few theories. First, that states are more likely to work with PMSCs that perform military tasks when they face greater threats from rebels, and when they have limited capabilities of their own. Second, that factors related to how much motivation and opportunity domestic actors have to scrutinize state leaders during civil conflicts influence when states work with PMSCs that perform police tasks. My results can also support the argument that states are more likely to work with PMSCs that perform police tasks

when they face greater threats from rebels and when they have limited capabilities, but the indicators that support this argument are rather indirect. Third, that the presence of valuable natural resources in a country can affect whether PMSCs to work for states, but whether resources attract or repel PMSCs depends on the type of resource. Forth, that working with PMSCs tends to delay victory for states. Lastly, that PMSCs are less likely delay victory for wealthier states.

However, while these theories find some support in my analysis, this support is limited, as most of the indicators meant to reflect the underlying concepts contained in my hypotheses were either not significant or significant in the opposite direction that I predicted. I used multiple models to test each of my hypotheses, and these different models did not offer consistent support for any of my hypotheses. As such, I believe the best way to view my results are as the product of a first attempt to use statistics to test newly developed general theories regarding how PMSCs become involved in civil conflicts and how their involvement affects civil conflict outcomes. I leave it to future studies to develop more refined methods and measures.

I also examined the decision by the Nigerian government to hire the PMSC STTEP in 2015 to help carry out military operations against Boko Haram, in order to look beyond the necessarily broad indicators I used to test my hypotheses for PMSC hiring in Chapter Five by examining the specific historical context within which a specific government chose to hire a PMSC. I also wanted to see how well functionalist, post-instrumentalist, and ideationist explanations designed to explain PMSC hiring by secure developed democracies fits a case of a developing state hiring a PMSC during a civil conflict. This case study provides evidence that supports the general functionalist explanation for PMSC hiring, but it also reveals that the

security problems that motivate states like Nigeria to hire PMSCs are different from those faced by secure developed democracies. The Nigerian government hired STTEP to help manage an immediate existential threat that it was incapable of handling on its own, not because it was searching for the most cost-effective way to meet a wide range of global security threats. In addition, this case supports the ideationist arguments that states hire PMSCs when the tasks it needs completed fall outside of their own military's historical role, and when they view privatization as an effective means to carry out government tasks in general. Post-instrumentalist explanations, in contrast, do not fit the evidence from this case at all, as the tasks the Nigerian government hired STTEP to perform had broad domestic support. Therefore, this case undermines both the advocates' view that states hire PMSCs because they view them as reliable cost-effective means for solving security problems, and the critics' view that there is no place for PMSCs in the world today. Rather, this case supports the view that developing states fighting civil conflicts hire PMSCs because the security problems they face are beyond their capabilities to handle alone, and they are desperate for help. Recognizing this point, both sides of the debate over the use of PMSCs can come together around the argument that hiring PMSCs may be a serious risk for developing states fighting civil conflicts, but in some cases, it is still the best option available to states at risk of losing a civil conflict.

Implications for Scholars and Policymakers

I conclude this dissertation by discussing implications my study has for policymakers and scholars. Regarding the implication for policymakers, I have argued that how PMSCs perform in civil conflicts likely affects when states choose to work with them, and the conditions under which states work with PMSCs undoubtedly affects how PMSCs perform. One of the

implications of this line of reasoning is that, if states tend to work with PMSCs when they lack the capabilities to handle threats from rebels by themselves, and PMSCs tend to delay state victory, especially if the state is relatively poor, then the critic's view of PMSCs seems to be correct. My findings suggest that PMSCs offer their services to states that are desperate for help, and once involved in a civil conflict, they make it harder for states to win. If this conclusion is true, then the use of PMSCs by states fighting civil conflicts ought to be discouraged by policy-makers in the international community. If states work with PMSCs when they are desperate and cannot find other means to defend themselves, then in order to keep PMSCs out of civil conflicts, the international community needs to help resolve civil conflicts before the states fighting them get so desperate that they turn to PMSCs.

Following this argument, an implication for scholars is that my analysis undermines the view that PMSCs operate in competitive well-regulated markets that provide strong incentives to deliver positive outcomes for clients. In my own literature review, I differentiated PMSCs from other mercenary-like actors on the basis that they are legal corporations with long-term interests operating within relatively powerful regulatory systems, as opposed to ad-hoc groups of soldiers with no interest in maintaining the professional reputation of their group. Were this the case though, one would expect working with PMSCs to correlate with positive outcomes for states, such as winning conflicts more quickly. Yet since my analysis supports the view that PMSCs tend to prey on weak states, I cannot conclude that market forces or the existence of multiple regulatory systems cause PMSCs to behave any differently than other mercenary-like actors.

One reason market forces and regulations may not shape PMSC behavior to the same extent that they would other types of corporations is that PMSCs are not normal corporate actors.

As Carmola has observed, PMSCs are "ambiguous or polymorphous entities – a mix of old and new, public and private; slippery, and hard to pin down analytically" (Carmola 2010, 9). PMSCs differ from normal corporations in that they are experts in providing military and security related services, often possess military capabilities of their own, and often work for clients that are materially weaker than themselves. These differences mean that PMSCs often have the option to operate more like rival states or rebel groups rather than as corporations. By possessing and exercising the right to wield force in countries governed by weak states, PMSCs do not have to remain in the good graces of their clients to make money. They can ignore the needs of their clients, work with other actors, and use violence to maintain access to profitable natural resources, oftentimes without fear of their client state being able to sanction them. As such, the advocates view that PMSCs respond to market forces and deliver quality specialized military and security services to clients seems to be incorrect. Scholars with an interest in understanding the causes and outcomes of PMSCs working for states need to understand this point: PMSCs are not normal corporations, and as such they cannot be relied upon to behave like other corporations. PMSCs can possess military capabilities greater than those of their client states, and as such, often display behavior more akin to states and rebel groups.

A final implication of this dissertation is that we need to refine how we define and categorize PMSCs. The category of PMSC was developed to include a large and diverse group of actors that do not fit neatly into any other established categories. But if PMSCs perform a range of different tasks, are hired based on a variety of factors, affect conflict outcomes differently under different circumstances, and in general do not respond to market forces in the same way other corporations do, then lumping all of these actors together and calling them private military

and security corporations does not tell us much about any particular PMSC. To study the causes and effects of PMSC involvement in global politics further, and to develop policies based on these studies, this group's unique interests and capabilities need to be identified. Are PMSCs like normal corporations in that they pursue long-term profits, or are they more interested in increasing the payouts from one job? Are PMSCs like agents from conventional principal-agent theory, or does their military expertise and capabilities give them a level of freedom that other agents do not enjoy? Labelling PMSCs as corporations leads to the expectation that they will respond to market forces and regulations like other corporations do. Since my analysis suggests that this is not the case, it may be time to look at PMSCs from outside the neoliberal worldview and recognize that as military and security actors, they often have more in common with states and rebel organizations than they do with corporations. This is not to say that PMSCs cannot have a role in making the world a more peaceful place, but before that can happen, PMSCs need to be understood for what they are rather than assuming they behave like normal corporations.

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