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Private Military Companies in Iraq: An Analysis of Privatization in a Counterinsurgency

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Abstract

This paper examines the impact of armed private military companies on the dynamics of counterinsurgency and governance during the Iraq War. It investigates how the deployment of PMCs - particularly Blackwater - affected relationships between the US military, the Iraqi government, and Iraqi civilians. The paper outlines the historical context that led to the privatization of military functions and explores the operational challenges posed by PMCs, such as poor coordination, friendly fire incidents, and resentment among US troops due to pay disparities. It further analyzes how legal immunity for contractors, granted under Coalition Provisional Authority Order 17, strained US-Iraqi diplomatic relations and weakened the perceived legitimacy of the Iraqi government among Iraqi citizens. The paper also assesses the extent to which PMCs contributed to local hostility and insurgent violence, citing the Fallujah incident as one turning point in particular. By highlighting gaps in oversight, accountability, and cultural sensitivity, the paper argues that the use of PMCs somewhat undermined counterinsurgency goals and complicated nation-building efforts by the US government occupation of Iraq. Ultimately, while PMCs provided tactical support, their unregulated presence and behavior had broader strategic consequences for American goals, which illustrates the risks of privatizing force in conflict zones without robust legal and institutional frameworks.

Keywords:

PMCs, Strategic Studies, Iraq War, Blackwater

Introduction

Following the tragic events of 16 September 2007, in which armed private military contractors working for Blackwater fired on and killed seventeen Iraqi civilians in Nisour Square without evident provocation, outrage and awareness blossomed in the United States (Apuzzo, 2014). However, as an article from *The New York Times* subsequently illustrated, overuse of force was not an issue limited to Blackwater or the massacre at Nisour Square, but one endemic to the private military contracting system (Glanz & Lehren, 2010). How did the use of force by private military companies influence the dynamics between various actors in Iraq, including the Iraqi security forces and government, US military personnel, and local communities? In an attempt to answer these questions, this paper will proceed as follows: First, it will examine the context in which armed private military contractors (PMCs) came to be deployed in Iraq. Second, it will discuss relations between armed PMCs and US forces in Iraq. Third, it will explore how the use of armed PMCs affected relations between the US and Iraqi governments. Lastly, it will examine the effects of the use of armed PMCs on relations between the US government, contractors, and Iraqi citizens.

Context

The push for extensive privatization of military functions emerged in the United States during the 1990s, driven by defence firms and conservative thought leaders aiming to influence the nation's defence strategies (Scahill, 2007). In the aftermath of 11 September 2001, reshaped global security dynamics and the global war on terror meant that the United States suddenly needed more troops than they had (Glanz & Lehren, 2010). In the ensuing years, armed PMCs found themselves deployed alongside American troops in Iraq, comprising a substantial portion—nearly half—of the US forces stationed in the region (Scahill, 2007). While the use of

private contractors was not entirely new, their roles in Iraq transcended traditional support functions, with a select group of highly trained former soldiers contracted to provide security duties, safeguarding American personnel—mainly State Department employees—as well as vital installations. Although far from the only private military company, Blackwater USA, under the leadership of Erik Prince, stood out among other such outfits locally and in media coverage, securing major contracts from the US Department of State to protect diplomats and high-profile visitors like L. Paul Bremer and earning a reputation for their use-of-force incidents (Fitzsimmons, 2016). However, the presence of private contractors in Iraq blurred the lines between military and civilian roles and provided an easy target for the growing anti-Coalition insurgency, sometimes creating confusion within local communities and among military personnel. This led to a litany of incidents, including civilian casualties, skirmishes, and instances where companies were less than co-operative with official authorities investigating incidents (Glanz & Lehren, 2010). Complicating matters further, Coalition Provisional Authority Order 17, endorsed by Bremer—a staunch advocate of PMCs—shielded these contractors from legal repercussions in Iraq while insufficient American legislation meant they would not face justice at home (Scahill, 2007). Nevertheless, a series of high-profile incidents, notably the infamous Nisour Square massacre, prompted revisions to Iraqi laws governing PMCs and spurred the US government to implement stricter oversight measures (Fitzsimmons, 2016). Despite these efforts, PMCs remained deeply entrenched in US operations in Iraq and other conflict zones due to their perceived necessity, although Blackwater's multiple rebrands did not make it more palatable to the US government (Fitzsimmons, 2016).

Relations Between the US Government and Private Contractors

The presence of contractors authorized to carry firearms within US forces' areas of operation potentially presented challenges to the cohesion of US forces and their ability to coordinate with their contractor counterparts. The extent of this issue will be examined by considering factors such as the number of so-called blue-on-white incidents in operations zones and issues of morale within US forces potentially caused by the use of contractors.

Blue-on-white incidents in Iraq involved private contractor firing on military personnel or vice versa. It is difficult to ascertain the details of many of these cases or even the exact number of incidents due to deficiencies in the reporting system used by the Baghdad Reconstruction Operations Center, which did not monitor the behaviour of PMCs, who also had no incentive to be truthful in their reports to Coalition authorities (Dunigan, 2011). However, Dunigan (2011) indicates that blue-on-white incidents may have been caused primarily by the military rather than PMCs, specifically those military personnel who lacked training on how to work effectively with PMCs, as well as an absence of communication devices between the military and PMCs. Regardless of cause, these incidents created a deeper barrier between Coalition forces and PMCs. An alleged friendly fire incident between armed PMCs working for Zapata Engineering and a US military checkpoint resulted in the detainment and abuse of sixteen PMCs by members of the Marine Corps. PMCs' account of the incident, which has been disputed, also reflected resentment over pay differentials: A Marine involved allegedly referred to the detainees as "rich contractors" (Dunigan, 2011, p. 63).

As Petersohn notes, "the assumption is that the better units are coordinated, the less friendly fire incidents will occur" (2013, p. 473). By analyzing incident reports released in a WikiLeaks dump in 2010, Petersohn concludes that PMCs were far less likely to be involved in a

friendly fire incident than either US or Iraqi military forces. However, in his analysis he fails to account for the aforementioned and corroborated PMC tendency to not report incidents or report them inaccurately (Petersohn, 2013). Furthermore, he compares PMC performance to the performance of Iraqi military personnel extensively, which is quite misleading considering that Iraqi military personnel at that time were quite new to the job and still in the process of being trained by the Americans, while most armed PMCs had years of military experience (Petersohn, 2013). He concludes that the incidence rates improved later in the war, in spite of the precipitous rise in violence, as a result of increased coordination between military and PMC personnel (Petersohn, 2013). Dunigan (2011) echoes this conclusion, noting that efforts had been made to increase coordination between PMCs and the military through such measures as the establishment of the Reconstruction Operations Center after these initial failures.

The issues with communication and coordination indicated above resulted in further danger for PMCs and military personnel than just friendly fire incidents. They contributed to the slowed responsiveness of quick reaction forces in response to PMCs that found themselves under attack from insurgents, and they may have contributed to incidents such as the killing of four Blackwater contractors in Fallujah. The Marines outside Fallujah only learned of the contractors' killing on television rather than through official channels, an indication of poor communication (Dunigan, 2011).

Blackwater's disregard for rules was not limited to its treatment of Iraqis but evidently extended to its treatment of the US State Department personnel. On one occasion, a member of the State Department sent to investigate Blackwater was threatened by one of the company's managers. With seemingly few consequences for contractors, the investigation of the incident was subsequently cut short (Risen, 2014). The investigation conducted by Richter and Thomas

also raised concerns over whether Blackwater's behaviour was enabled by embassy personnel (Risen, 2014), a warning that was echoed by the report of one House committee stating that State Department personnel were, potentially inappropriately, aiding in Blackwater's payouts to their victims (House of Representatives, 2007). The feeling among State Department personnel and other clients seemed to be that private military companies kept them safe and provided a valuable service, meaning they were more likely to tolerate excesses from PMCs (Cotton et al., 2010). A survey conducted by the RAND Corporation of State Department and military personnel reported that a large minority of the respondents felt that both private contractors and military personnel did not "make an effort to work smoothly" with each other (Dunigan, 2011, p. 62).

Armed private contractors used for security details cost the American government more than what it would pay an equivalent number of American soldiers, and the former was paid more per day than the latter. A House of Representatives hearing stated that the difference was between $50,000–$70,000 and $400,000 per year for soldiers and PMCs, respectively. This resulted in a recruiting boom for private military companies (House of Representatives, 2007). Not only was the difference in pay severe, but PMCs were able to enjoy benefits not offered to military personnel, including more frequent leave periods, better living quarters, and fewer restrictions, resulting in resentment and tension between military personnel and PMCs (Dunigan, 2011). Despite issues with integration and military morale, a high number of military personnel in the aforementioned RAND Corporation survey expressed the belief that the use of PMCs represented a positive contribution to the war effort (Dunigan, 2011).

Considering the evidence presented above, the main issues surrounding coordination and cohesion seem to be ones that were easily solvable with additional training and improved

communication. While they may have had a minor impact on force cohesion or affected the opinion of the troops directly involved in specific incidents, there were not a significant number of recorded blue-on-white incidents, especially in light of early difficulties with communication. However, one area that might have proven more significant was resentment among US forces stemming from the additional benefits and pay given to contractors. Additionally, contractors' disregard for rules appeared to be an issue, however, as discussed further below, this was mainly the doing of Blackwater, as per the findings of the US and Iraqi governments.

Relations Between the US and Iraqi Governments

This section will examine the extent to which the use of armed private contractors affected relations between the US and Iraqi governments. This will be done by looking at the effects of granting immunity to PMCs who had potentially committed crimes on the perceived legitimacy of the Iraqi government, examining diplomatic relations between the two countries, and tracing the evolution of Iraqi laws applicable to contractors.

Although much has been written about the effects of PMCs on the perceived legitimacy of the US occupation of Iraq, especially the contrast between the United States' supposed commitment to upholding human rights and democracy and the disrespect shown for the human rights of Iraqis by government troops and contractors, very little has been written on how PMC behaviour affected the perceived legitimacy of the newly re-formed Iraqi government. Muqtada al-Sadr, the leader of the Shia Mahdi Army militia, took advantage of the Iraqi government's inability to bring PMCs to justice to undermine Prime Minister Nouri al-Maliki and call for private military companies to leave the country (Fitzsimmons, 2016). Al-Sadr, as noted by Reuters, "commands the loyalty of hundreds of thousands of Iraqis" and led significant aspects of the insurgency against the United States as well as sectarian violence between Iraqis (Perry,

2023). Thus, al-Sadr could wield sufficient influence to significantly destabilize the Iraqi government should he choose to do so.

In 2003, CPA Order 17 served to grant immunity to PMCs from Iraqi prosecution (Cotton et al., 2010). The order was not issued in an effort to help US forces or PMCs escape justice when they committed crimes against Iraqis, but rather out of concern for the treatment they might receive in Iraqi detention and lack of respect for due process in the Iraqi legal system (Arnpriester, 2017). While US government forces were under a standard system of reporting and justice as per the Uniform Code of Military Justice, which ensured soldiers who committed crimes in Iraq were court-martialed, it took trial and error by the US government to hold contractors to any sort of similar legal standard domestically (Arnpriester, 2017). The legal immunity with which PMCs in Iraq had hitherto operated was removed in January of 2009 with the signing of Status of Forces Agreement between Iraq and the United States, which governed the conduct of Coalition forces within the country, including by bringing armed contractors under the jurisdiction of the Iraqi government (Cotton et al., 2010). This change in Iraqi law came after multiple, highly publicized incidents, including the Nisour Square massacre and the United State' subsequent failure to prosecute the individuals involved, although they were later tried and convicted (Arnpriester, 2017).

Use-of-force incidents resulting in the death of civilians strained relations between the Iraqi government and the United States, most especially in the aftermath of Nisour Square and the later killing of an Iraqi bodyguard by a Blackwater employee. The Iraqi government sought justice, and relations between the two governments deteriorated when it did not immediately appear (Fitzsimmons, 2016). Iraqis were further offended when the initial efforts to seek prosecution failed on technical grounds rather than a perceived lack of guilt on the part of the

accused. The Iraqi government was pleased when the four defendants were finally convicted in October of 2014 (Fitzsimmons, 2016). The US government's primary concern when it came to the deaths of Iraqis at the hands of contractors appeared to be the latter's continued ability to work in Iraq. As illustrated by the 2006 killing of a vice-presidential bodyguard, Raheem Khalif, at the hands of a drunk PMC, hush money to the family of the victim was the solution employed by companies with the co-operation of the State Department (Schmitt, 2007).

Again, it is clear that the actions of Blackwater and of individual contractors associated with the company are primarily to blame for the tension between the Iraqi and US governments, including multiple diplomatic standoffs. Although one firm caused the majority of the consternation surrounding the use of armed PMCs, Blackwater was the Department of State's primary resource for diplomatic protection and had the highest number of personnel among armed PMC companies operating in Iraq (Fitzsimmons, 2016). Thus, the State Department sought to protect them. Actors within Iraq, such as Muqtada al-Sadar, took advantage of this tension to further their sectarian causes and delegitimize the Iraqi government. The effects of the American occupation on Iraq and the behaviour of Americans in the country left a lasting strain on relations between the two countries.

Relations Between the US Government, Private Contractors, and Iraqis

This section will explore the effects of the use of armed private contractors on relations between the US government and Iraqi civilians, and in particular whether it may have potentially contributed to the anti-Coalition insurgency. Several potential factors are examined, including whether the use of private military companies may have indirectly led to the deaths of US troops and whether PMC-civilian incidents, both widely reported and day-to-day, small-scale actions, may have increased hatred of Americans in Iraq.

Perhaps the best early example of PMC missteps that indirectly led to the deaths of US troops was the Fallujah incident in March 2004, when four Blackwater contractors were killed and their bodies burned in an incident reminiscent of a similar event that took place in Somalia in 1992 (captured in the 2001 film *Black Hawk Down*) (House of Representatives, 2007). The killings shocked Americans, and the US government responded by invading the insurgent hotbed of Fallujah, resulting in a large number of civilian and military casualties (House of Representatives, 2007). The long-term effects of the Battle of Fallujah were innumerable: The Sunni population largely boycotted the Iraq elections that brought Prime Minister Nouri al-Maliki to power, which in turn eventually resulted in the alienation of Sunnis from the Iraqi government (Naji, 2005). The first invasion of Fallujah, Operation Vigilant Resolve, resulted in the deaths of 27 American service members and the turning over of the city to Iraqi troops about a month later (Jackson, 2023). The second invasion, called Operation Phantom Fury, led to the deaths of 95 American service members and the wounding of 560 (Gómez del Prado, 2011). Some sources cite the Fallujah incident and the subsequent invasion of the city as a "turning point in the occupation of Iraq" (Gómez del Prado, 2011, p. 153).

While differing operational objectives between PMCs and Coalition forces influenced their treatment of Iraqi civilians, Iraqi civilians did not or could not differentiate between private contractors and military personnel, and the harm caused by PMCs' behaviour affected military personnel as well (Dunigan, 2011). There is debate as to whether, in addition to increasing insurgent activity and the targeting of US military personnel, the activities of Blackwater in particular may have resulted in the targeting of its employees and the civilian officials under their protection. Osama bin Laden reportedly offered a reward in 2004 for the killing of L. Paul

Bremer, who was at the time under the protection of Blackwater, in addition to other awards offered for the killing of Blackwater's PMCs (Fitzsimmons, 2016).

Blackwater was far from the only private military company whose employees used force that could be interpreted as beyond reasonable or appropriate, and moreover oversight issues were also not confined to American PMCs. Less than a month after the Nisour Square massacre, an Australian company called Unity Resources Group shot two women they said approached their convoy too quickly (Gómez del Prado, 2011). The same company was also involved in the 2006 shooting of an Australian who it claimed approached its guards too quickly (Gómez del Prado, 2011). Lack of oversight and insufficient vetting in hiring procedures is illustrated by the UK private military company ArmorGroup. In 2009, it hired a discharged British paratrooper with post-traumatic stress disorder who, not long after his return to Iraq, shot three people, an Australian, a Brit, and an Iraqi (Gómez del Prado, 2011).

Several individual civilian deaths or shooting incidents beyond the ones widely reported in news media resulted in a palpable sense of ill will toward Americans in Iraq, including the death of a taxi driver and two other civilians in Kirkuk, which caused protests. The driver's son later stated that the killing of Americans made him happy (Fitzsimmons, 2016). A 2007 article from Montagne and Temple-Raston concluded that, "According to media reports and interviews, resentment occurs mainly because Iraqi civilians do not distinguish between private contractors and U.S. or coalition forces in Iraq. Rather, they see them all as part of the same occupying force" (as cited in Cotton et al., 2010, p. 28). However, the rising hatred was caused not just by seriously offensive incidents and civilian killings but also by the day-to-day lack of consideration for local Iraqis displayed by PMCs. While carrying out their duties, contractors would routinely run civilian vehicles off the road—ostensibly to avoid potential vehicle-borne improvised

explosive devices—and intimidate civilians (Fitzsimmons, 2016). Consistently angering civilians was quite at odds with the hearts-and-minds mission of counter-insurgency, and this discontinuity likely severely affected the US mission in Iraq, a fact admitted even by Erik Prince (Fitzsimmons, 2016).

The evidence discussed in this section shows a clear link between the actions of armed PMCs and the rising hatred of Americans in Iraq, resulting in the deaths of US troops and possibly contributing to an increase in insurgent activity. This is most visible in Fallujah, where a mistake made by four PMCs resulted in an American invasion of the city, troop deaths, and later an increased level of insurgent activity in the city, resulting in a second invasion. Insurgents and terrorists purportedly singled out high-profile officials guarded by the PMCs in question as targets. A brief exploration of use-of-force incidents by non-American PMCs, including members of an Australian and a British firm, shows that these issues were not exclusive to Blackwater or other American contractors; rather, they were a result of the culture created by PMCs generally, and the lack of regulation surrounding them. In addition, just as there was little differentiation in the minds of Iraqi civilians between US government forces and US government contractors, the actions of contractors belonging to other Coalition partners were also potentially incorrectly attributed to Americans. The issue created for Iraqis by armed PMCs was not just the occasional violent incident, but everyday inconveniences created by personnel whose only responsibility was protecting their primary. The occupation failed to win hearts and minds, and private military contractors who were not accountable to that goal contributed to its failure.

Conclusion

The extensive involvement of armed private military companies in Iraq during the post-9/11 era negatively influenced the dynamics between various actors, including the US government,

private contractors, Iraqi security forces, and local communities. The research presented above is meant to shed light on issues surrounding accountability, operational effectiveness, and the broader implications for governance and stability in conflict and post-conflict environments, specifically in nation-building and counter-insurgency operations.

The relationship between the US government and private contractors, specifically in the early years of the US occupation of Iraq, was characterized by difficulties in the coordination and cohesion of military operations and the day-to-day protection of assets. While initial challenges such as communication deficiencies and coordination issues were evident, they perhaps could have been managed with improved training and enhanced communication channels, as well as the establishment of the Reconstruction Operations Center. However, tensions arose due to disparities in pay and benefits between military personnel and contractors, which led to resentment among some members of the armed forces. Despite these challenges, there was a belief among a significant minority of US service members that the use of PMCs positively contributed to the overall war effort.

A point worth noting is that interactions between the US and Iraqi governments were significantly impacted by the actions of PMCs, specifically regarding legal immunity and jurisdictional issues in the context of crimes committed by PMCs. The granting of immunity to contractors by Coalition Provisional Authority Order 17, absent any other way for American prosecutors to bring PMCs to justice, strained relations between the US and Iraqi governments, and also raised questions about the perceived legitimacy of the Iraqi government in the eyes of its citizens. Sectarian actors such as Muqtada al-Sadr took advantage of the US occupation and the behaviour of PMCs to delegitimize the Iraqi government, which is a significant issue in light of the need to create a stable government for the security of the country. Incidents such as the

Nisour Square massacre further exacerbated tensions and led to diplomatic standoffs. This was of course just one of the many incidents, both small and large, that contributed to tensions.

Most notably, the relationship between the US government, private contractors, and Iraqi civilians highlighted the detrimental effects of PMCs' actions on local perceptions of Coalition forces and the overall security dynamics in the country. Incidents involving PMCs, including civilian casualties and everyday interactions, contributed to increased hostility toward Americans, potentially fueling insurgent activity and the targeting of US troops. The lack of oversight and accountability within the PMC industry compounded these issues by making it harder for government or institutional actors to prosecute individual bad actors, leading to further distrust and resentment among Iraqi communities.

In summary, the use of force by private military companies in Iraq altered power dynamics and relationships between various stakeholders to at least a moderate extent. While PMCs tended to serve in security operations rather than full-scale tactical military operations, their actions often had unintended consequences, which highlighted to the US government the need for greater oversight, accountability, and consideration of local dynamics in future military interventions involving PMCs. Greater training, communication, and regulation was developed along the way rather than prior to deployment, resulting in incidents that could have been pre-empted.

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