

Transformations in Sovereignty, Political Authority and Capacity in the Governance State

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Abstract

The core theme of this paper is that contemporary governance arrangements are reconfiguring the state's authority and sovereignty in ways that may undermine its capacity for good government. A defining characteristic of the modern state has been its prerogative to exercise lethal violence both within and beyond its borders. In the exercise of that prerogative rests the state's sovereignty and its capacity to impose both its authority and machinery of political rule. However, the growth of private military companies (PMCs), especially their take-up of hitherto state-based military roles and functions, suggests a reconfiguration of the basis for the state's sovereign authority. The contemporary arrangements between the state and PMCs are public-private partnerships par excellence that presage a form of sovereignty in which the state is no longer presumed to have the monopoly position. At the very least, sovereignty becomes shared, if not fragmented. This has serious implications for the capacity of the state to sustain legitimate forms of government. The paper aims to explore this particular dimension of governance and suggests that this reconfiguration of sovereignty characterises the 'governance state'.

Keywords: capacity, governance, the governance state, political authority, private military companies (PMCs), sovereignty, the state.

Sovereignty, political authority and capacity are interconnected and interdependent concepts. Capacity, understood in this context as the ability to govern effectively, presupposes and requires a form of political authority that is accepted as legitimate. In turn, political authority presupposes and requires a degree of sovereignty that is similarly accepted as legitimate. In effect, political authority draws its legitimacy, and hence its capacity, from the idea of sovereignty. For the past three or four hundred years the sovereignty of a state has been understood in the dual sense of signifying the highest form of legal authority and unchallengeable political power. A state answers to itself, to its own authority and whatever constitutional arrangement of laws that it authorises.

In the past two decades states have reorganised their governmental structures and practices according to various principles of governance. The impact that this might have for sovereignty and political authority remains to be seen. However, there is one particular development that suggests these governance arrangements have the potential to affect current configurations of political authority and hence sovereignty. This development is the recent but rapid growth of private military companies (PMCs), organisations set up specifically to trade in the sale of military expertise, hardware, and war-craft. It may be that one of the key characteristics of the sovereignty of the modern state, namely the state's prerogative to exercise lethal violence, is no longer exclusive or beyond challenge. This may be an unintended consequence of the logic of contemporary governance arrangements. The paper explores this particular form of governance and asks to what extent a state can be said to be sovereign when its capacity to enforce that sovereignty is either equalled by or shared with other centres of military power within its territory?

Although the idea of a divided or shared sovereignty may be consistent with the development of liberal-democratic theory and practice, and in that respect may be seen as a good thing, it nevertheless undermines the idea that the state is the ultimate political authority. To develop this argument the paper begins by noting the generic aspects of the modern state and its concomitant conception of sovereignty. It then connects the idea of sovereignty with that of governance and the latter's emphasis on the shifting relations between state and non-state actors. Attention then turns to the nub of the governance-sovereignty problem, namely the rise of PMCs and their political implications, in particular their potential to rival the basis for the state's sovereign political authority, namely the state's monopoly on lethal force. It is concluded that if the basis of the state's sovereignty is seriously eroded it may no longer have the capacity to compel obedience to its social norms, institutions, and symbols.

Sovereignty and the Modern State

There are a number of generic characteristics common to all modern states. As summarised by Raphael (1988, pp. 42-43) these are

- a defined and internationally recognised geographical territory

- universal and compulsory jurisdiction within specifically recognised territorial bounds
- a legitimate monopoly of force/violence

These characteristics abstract from the historical processes in which particular constellations of political power gradually coopted, disarmed and subjugated those whose interests might pose challenges to its capacity to rule. These historical processes were often bloody and violent but the net result was a modern form of sovereignty that ‘connected political authority to territory’ (Serewicz 2002, p. 78). The result has been that the modern state claims oversight of its own specific geographical area with and by which it is identified, and within which its authority is accepted as legitimate and undisputed (Ruggie 1993, p. 151; Held & McGrew 1993, p. 265; Anderson 1996, p. 140).

Of interest for this paper is the third characteristic, whereby the ‘state is considered the sole source of the “right” to use violence’ (Weber 1957, p. 78). In Weber’s view this ‘right’ arises because the state not only creates the ‘legal order’ and ‘is regarded as its sole creator’, it also has the means, whether ‘by virtue of mandate or permission’, namely its monopoly on the use of physical force, ‘to compel ... respect for those rules’ (Weber 1968, p. 904). Of considerable importance here is the ongoing ability of the state ‘to compel ... respect for the rules’, to ensure that all powers within its boundaries remain subordinate to its authority. Hence the legal, political and social order (regardless of historical specificities and particulars) and their legitimacy ultimately rest on the systematic use of violence and terror, an iceberg-like presence in everyday existence. It is this capacity that enables the state to establish and enforce both its authority and legitimacy. And beyond the state there is no higher legitimate political authority. For modern states this is the core meaning of their sovereignty.

This contrasts with the idea of sovereignty and the organization of territorial space and political authority in pre-modern social formations. As Spruyt (1994), Anderson (1996), Ruggie (1993) and others have argued there were numerous centres of power, each with the capacity to impose its will on those within political reach. This did not mean that those within reach were necessarily neighbours in a geographical sense. Political sovereignty was mostly fragmented, and often dispersed and exercised in

non-contiguous territories. While particular monarchs demanded political, economic and military allegiance from others less powerful than themselves such allegiances were not simply a matter of military superiority (though often this was the case) but the precarious outcomes of diplomatic and marital alliances. As Anderson has noted,

[p]olitical sovereignty was shared between a wide variety of secular and religious institutions and different levels of authority—feudal knights and barons, kings and princes, guilds and cities, bishops, abbots, the papacy—...[resulting in] different levels of overlapping sovereignty [that] typically constituted *nested* hierarchies ... and people were members of higher level collectivities not directly but only by virtue of their membership in lower level bodies (Anderson 1996, p. 141. His emphasis).

Similarly Spruyt summarised the basic characteristics of pre-modern social formations in Western Europe as a ‘a fragmentation of political authority’ with ‘public power in private hands, and a military system in which an essential part of the armed forces is secured through private contracts’ (Spruyt 1994, p. 36).

In the pre-modern period independent military forces were common. Not only did the nominal sovereigns, monarchs or princes, have their own armies, so too did other feudal powers such as nobles, churches, guilds and cities. Mercenary forces were commonplace and were often ‘the dominant armed instrument of the State’ (Bobbitt’s 2002, p. 331; Tilly 1990; Thomson 1994). However, by the late eighteenth and early nineteenth century mercenaries were replaced largely by standing armies (Thomson 1994, 11; Tilly 1990, p. 84). This was a necessary concomitant of the state’s monopoly of violence that had two causally related effects. First, the creation of standing armies gave the sovereign authority greatly enhanced power over their domestic population and consequently ‘the chances of effective resistance’ to the centralising tendencies ‘on the part of the national population declined’ (Tilly 1990, p. 83). Second, with the rise of standing armies the status of the professional soldier came to be bestowed on them, relegating the status of the soldier for hire to the shadowy and disreputable realm of ‘soldier of fortune’ (Serewicz 2002, p. 77).

Much more could be said about the complex transformation from pre-modern to modern sovereignty. For example, one could focus on the rise of nationalist sentiments that simultaneously created a common weal of imagined community and serving to constrain or dissipate radical, largely working class, attempts to democratise sovereign authority. Or one could emphasise the role of the state as a 'moral regulator' that "regulates" and "disciplines" social relationships in that territorial space over which it claims sovereignty' (Axtman 2004, p. 267; Foucault 1979; 1982). Over the past two hundred years each of these has contributed in various ways to the ongoing consolidation of the modern state and the development of its particular form of sovereignty. But now it would appear that the modern state is itself undergoing transformation, though there is little agreement as to what, how or why. What might be agreed is that one marker of these changes is a shift in relations between state and non-state actors with respect to the exercise of political authority. For some scholars this is best captured by the concept of 'governance'.

Governance, Political Authority and Sovereignty

For many 'governance' signifies the 'capacity to get things done which does not rest on the power of government to command or use its authority' (Stoker 1998, p. 18; Senarclens 1998, p. 93). Rather this power is now shared across 'a broad range of governmental and non-governmental organizations, private undertakings, and social movements, which together contribute to certain forms of political, economic and social regulation at national and international levels' (Senarclens 1998, p. 93). The rapid growth in the use of state and non-state actors to deliver government objectives has led some to account for these relationships in terms of self-organising networks, even if the boundaries between the actors (and institutions) within these networks are often fuzzy (Stoker, 1998, p.18; Rhodes 1997, pp. 7, 46-53). Tackling the idea of governance from a slightly different direction Jessop develops the idea of 'destatization' which for him 'involves redrawing the public-private divide, reallocating tasks, and rearticulating the relationship between organizations and tasks across this divide on whatever territorial scale(s) the state in question acts' (Jessop 2002, p. 199). As a concept, then, 'governance' allegedly recognises that the political authority exercised by the state through its decision-making and administrative apparatuses is increasingly shared with others, with non-state actors.

These reconfigured relationships are often described in terms of ‘steering’ and ‘rowing’ in which the political authority of command is redefined as merely a managerial process (ie steering) and the implementation of those decisions and policies as being undertaken by others (ie rowing). In essence the state steers by setting the rules, and while states ‘may have some input into building and paying the team, ... they are not necessarily the ones on the field playing the game’ (Cohen & Küpçü 2000, p. 38). For some this heralds a ‘hollowing out of the state’ because as the state concentrates on ‘steering’, it tends to discard not just particular functions but the personnel and expertise associated with those functions (Milward & Provan 2000; Peters & Pierre 1998; Rhodes 1997). This is a process that has been described as ‘governing without government’ or ‘governance without government’ (Peters & Pierre 1998; Rhodes 1997; Roseneau & Czempiel 1992). At the very least the idea of governance points to a transformation of political rule in which the pre-eminence of government has given way to complex networks involving state and non-state actors (Rhodes 1997, p. 46).

If this was only a matter of various powers vying for influence to direct or capture political rule then one might be tempted to say “well, so what?” But matters are not so simple. Government is not the state and vice versa. All other things being equal, governments come and go but states endure. Government, and the various institutions which make it possible, exercise political authority on behalf of and in the name of the state according to rules that are configured and authorised by the sovereignty of that state. Yet the basis, indeed necessary condition, for that sovereignty is the military muscle that the state is able to marshal. The shifting relations between state and non-state actors, paradigmatically linked to the concept of ‘governance’, may well involve a reconfiguration of forces that undermine that military muscle. If the military muscle of the state is shared or fragmented such that other authorities are capable of physically negating the state’s monopoly of force, then the state may no longer be able to compel respect for and obedience to its rules. The next section considers a trend that suggests that the state’s capacity to enforce its legitimacy may be called into question.

Private Military Companies (PMCs)

PMCs, the ‘corporate warriors’ as Peter Singer describes them (2003), and their salient features are part of a wider phenomenon, namely the privatisation of security, a lucrative and rapidly growing industry. In 1997 it was estimated that ‘revenues from the global international security market would rise from US\$55.6 billion in 1990 to US\$202 billion in 2010’, with the ‘US government market alone [worth] over US\$100 billion’ (Avant 2005, p. 122). The private security industry in the United States (which presumably would also include US owned PMCs) ‘is said to employ 1.6 million people (as many as the number of active troops) and to cost \$52 billion a year, far more than all US police departments combined’ (Van Creveld 1996). Between 1994 and 2002 the US government spent \$300 billion dollars or more on over 3000 contracts with US-based military firms (Renou 2005, p. 109). For the United Kingdom, ‘the private security industry employs more people than the entire uniformed police force’ (Kobrin 1998, p. 379).

There are a number of different varieties: private military companies (PMCs), private military firms (PMFs), private security companies (PSCs), private international security companies (PISCs), and commercialised national army units (CNAU). CNAUs will not be considered here as they involve serving members of a nation’s army who are organised into units for hire by their government. The focus on what follows is with PMCs since PMFs and PMCs are largely refer to the same phenomenon, and PSCs and PISCs are often non-military subsidiaries of PMCs. These can be defined as

corporate entities comprising military and intelligence entrepreneurs whose activities incorporate the provision of multi-purpose security-related products and services. They may organize mercenaries into temporary armies for combat operations in foreign conflicts on behalf of a party to that conflict, and may procure war material and logistics, provide military advise, undertake intelligence gathering duties and act as force multipliers for clients. They also provide escort services and guard installations (Musah 2002, p. 913).

PMCs are involved in a wide variety of military and military related activities: arms sales, mining or selling raw materials, oil extraction, medical services, transport, telecommunications, and assistance with industrial and agricultural rebuilding

programs (Renou 2005, p. 109). It is estimated that there are over 1000 companies ranging in size from one-person operations to transnational corporations. However, most PMCs are modest concerns that 'operate on a contract basis – with a small full-time contingent and a large database' (Avant 2004, p. 154).

Singer (2003, 91) has suggested a tripartite typology to categorise PMCs through the use of a spear metaphor. At the tip of the spear are military firms with the capacity to engage in actual combat. These he refers to as 'tip of the spear' companies. In the middle of the spear are PMCs that provide consulting, training, low-level security work and intelligence gathering. They may have a capacity for military engagement but most often this is of minor importance in their corporate activities. And at the base of the spear is the third type of PMC, the military support firm which provides non-lethal aid and assistance. This would involve handling the logistics of maintaining supply lines and servicing the military personnel.

Generally, the objectives and tasks of the PMCs are set by the party contracting the company. However, there have been numerous occasions in which the PMC has itself had a vested interest in the military operation in question. In Africa, for example, PMCs have 'close corporate and operational ties with extraction and finance companies' (Musah 2002, p. 913). It is often the case that a PMC is contracted on the basis of gaining shares in the resources that might be the subject of hostilities rather than on the basis of a set monetary fee. As might be appreciated this improves the commercial position of the PMC and strengthens its bargaining power with respect to the contracting state. It also extends 'traditional mercenary activities into the yet unchartered territory of big business' (Musah 2002, p. 913). The market in PMCs is so profitable and its growth potential so attractive that one transnational has a web-page entitled 'Growth Through Acquisitions' (Armor Holdings 2006). This is a strategy being pursued by a number of large corporations:

MPRI, DynCorp, and Vinnell Corporation are now subsidiaries of L-3 Communications, Computer Sciences Corporation, and Northrup Grumman, respectively. Private military companies are increasingly part of larger conglomerates that offer a range of services from combat support to postconflict reconstruction and

provide governments with a virtual 'one-stop' war-fighting shop
(Cohen & Küpçü 2000, pp. 41-2).

Hence the potential for PMCs or their parent companies or both to maximise their position through the use of force is an ever-present possibility.

'Not By Rule of Law'

As yet there is no real regulatory framework in place that might constrain their activities. For numerous scholars this is cause for some alarm (Musah 2002; Singer 2003, 2004; Renou 2005; Newell & Sheehy 2006). Singer (2004, p. 524) has noted that PMCs 'comprise one remaining industry whose behavior is dictated not by the rule of law, but by simple economics'. As he has argued this leaves a vacuum that makes it virtually impossible to hold private contractors accountable for their behaviour, even when that behaviour is clearly illegal and the perpetrators known as in the cases of DynCorp contractors in Bosnia and elsewhere (Singer 2004, p. 525; also Avant 2005, p. 128). Similarly the abuses at Abu Ghraib prison have not seen the civilian perpetrators (ie private contractors) charged (Cohen & Küpçü 2000, p. 42). This is despite the fact that relevant US military personnel have already been disciplined and in several cases tried and sentenced (*Guardian Unlimited*, 16 February 2006), though it also needs to be acknowledged that only those of junior or no rank have actually been convicted of military crimes. Senior officers and civilian policy-makers have yet to be held accountable.

States would appear to gain considerable advantages from being able to use PMCs and their services. First, advocates of the use of PMCs argue that the costs associated with contracting a PMC to assist with or undertake short-term military operations can be much lower than might otherwise be the case (Brooks 2000; Shearer 1998). By turning to PMCs rather than their own standing military forces, states are able to reduce some of the costs associated with maintaining their own military armies, and thereby appear to be behaving in a fiscally responsible manner. Second, and in part a consequence of the first point, advocates of the use of PMCs argue that PMCs provide their services 'more efficiently, more rapidly, and much more cheaply than state militaries or non-military companies', and they 'tend to be more innovative, flexible and more pragmatic and they allow state militaries to focus on their core missions and give multinational corporations (MNCs) the ability to operate in militarily unstable

regions that would otherwise be unfeasible' (Brooks 2000, p. 131). On Brooks' view it is clear that states (and perhaps private companies) are able to make effective commercial use of PMCs because they (states if not private companies) can outsource military expeditions on behalf of commercial interests that they once would have had to do themselves.

Third, and perhaps more importantly, states can undertake various military operations without any formal involvement, in particular without having to be subject to very much accountability, be it parliamentary or judicial. The fact that the PMC is hired on the basis of a commercial contract means that all details between the two contracting parties become 'proprietary information' subject to commercial secrecy provisions. This is a real benefit for states, especially those that have a modicum of measures of democratic accountability. The use of '[c]orporate mercenaries enable[s] legitimate governments to behave in illegitimate ways, to break international laws, violate human rights or resort to unconventional ways of waging wars' (Renou 2005, p. 110). In short, states can deny any culpability or responsibility should the outcome prove to be embarrassing or worse. This facilitates the various tactics of damage control such 'plausible deniability', which ultimately 'benefit[s] the executive over the legislative branches' (Avant 2005, p. 128). But for other scholars this situation enables a state to gain significant flexibility in conducting its foreign policy (Cohen & Küpçü 2000).

A fourth advantage, in a *realpolitik* vein, raised by Shearer is that PMCs may be useful in forcing an end to political deadlocks or military stalemates. In his view PMCs have 'an underutilized potential to bring conflicts to a close' (Shearer 1998, p. 75). He acknowledged that this runs counter to accepted thinking about conflict resolution and peacekeeping generally, but he pointed out that there have been occasions in the recent past where larger states have sanctioned, even encouraged, military solutions to various stalemates (Shearer 1998, p. 79; also Brooks 2000, p. 134). Thus peace can be achieved through the sophisticated use of war, which in the mind of journalist George Monbiot's sub-editor, is a sentiment that translates into the headline: 'Promoting peace is for wimps – real governments sell weapons' (Monbiot 2006). Clearly, PMCs offer tempting flexibility for states. Moreover, they have an inbuilt reason to engineer circumstances that create the demand for their services.

Yet the long-run consequence may be other than what states intend. For example, the supposed cost advantage of PMCs may not be as substantial as their proponents claim. According to one critic, the savings are short-run and ultimately illusory (Renou 2005). Given that many of the PMC employees are former military personnel of one state or another their training costs are not accounted for in the costs of hiring the PMC. Indeed, this is another instance where the training costs are borne by the state in the first instance, only to lose the expertise to a higher-paying commercial provider who is then in a position to lease that expertise back for substantial fees. Further, as Cohen & Küpçü (2000, p. 42) concede, '[a]n experienced Special Forces operative can earn up to \$250,000 annually with a PMC—two to ten times more than in the military—plus benefits, vacation, and the choice to opt out of risky operations'. This means that a state will have to match these salaries if it wants to retain experienced (and perhaps battle-hardened) personnel. There are also costs involved in retaining the loyalty of private contractors when their *raison d'être* is defined by a market logic of profit and loss.

Another problem is that neither states nor PMCs may be neutral as to particular parties or values. Individual states often give preference to PMCs that originate from within their own territories, and there are often very close working relationships between particular governments and PMCs, especially where supplies to the military are concerned (Renou 2005, p. 111). Nor is there any guarantee that PMCs will remain loyal or reliable in delivering their promised services. This is not simply a matter of profit or loss but one of having a vested interest, at least in relation to peacekeeping roles, in prolonging the conflict, or perhaps of ensuring that any peace will not be lasting (Renou 2005, p. 112). Finally, as already noted, PMCs are not controlled by any legislative or regulatory framework. Yet what are the likely implications that PMCs might have for a state's sovereignty and its political authority?

Implications for State Sovereignty

Many PMCs have significant military capabilities which can be mobilised at very short notice, at least if their web-based promotional material is to be believed. Their 'tip of spear' services are available to anyone with sufficient funds at their disposal,

not just a state or government but other commercial interests. Many corporations already make

Table 2: The Top 100 Global Financial Entities 1999/2000

RANK	COUNTRY/ CORPORATION	GNP/REVENUE \$US. IN MILLIONS	RANK	COUNTRY/ CORPORATION	GNP/REVENUE \$US. IN MILLIONS
1	UNITED STATES	8510.6750	47	Sumitomo	95.7010
2	JAPAN	3782.9460	48	VENEZUELA	95.0164
3	GERMANY	2141.6780	49	Nippon T & T	93.5910
4	FRANCE	1435.2030	50	Marubeni	91.8070
5	UNITED KINGDOM	1387.4400	51	ISRAEL	91.3171
6	ITALY	1169.2660	52	COLOMBIA	90.4063
7	CHINA	960.7851	53	INDONESIA	88.5515
8	BRAZIL	776.8286	54	AXA	87.6450
9	CANADA	598.8625	55	Intl. Business Machines	87.5480
10	SPAIN	554.8851	56	SINGAPORE	84.3786
11	MEXICO	424.5240	57	BP Amoco	83.5660
12	INDIA	420.3054	58	Citigroup	82.0050
13	NETHERLANDS	378.1987	59	EGYPT	81.5282
14	AUSTRALIA	363.9098	60	Volkswagen	80.0720
15	ARGENTINA	339.8068	61	Nippon Life Insurance	78.5150
16	KOREA	310.1118	62	IRELAND	78.3242
17	RUSSIA	283.8242	63	Siemens	75.3370
18	SWITZERLAND	262.6460	64	CHILE	74.3185
19	TAIWAN	258.8676	65	Allianz	74.1780
20	BELGIUM	251.3653	66	Hitachi	71.8580
21	SWEDEN	226.8869	67	MALAYSIA	67.4845
22	AUSTRIA	212.4617	68	Matsushita Electric Industrial	65.5550
23	TURKEY	196.9821	69	Nissbo Iwai	65.3930
24	MYANMAR	189.7544	70	PHILIPPINES	64.5262
25	General Motors	176.5880	71	PAKISTAN	64.1293
26	DENMARK	174.1033	72	PERU	64.0548
27	Wal-Mart Stores	166.8090	73	U.S. Postal Service	62.7260
28	HONG KONG	166.4958	74	ING Group	62.4920
29	Exxon Mobil	163.8810	75	AT&T	62.3910
30	Ford Motor	162.5580	76	Philip Morris	61.7510
31	DaimlerChrysler	159.9860	77	Sony	60.0520
32	POLAND	148.9580	78	LIBYA	59.5000
33	NORWAY	145.8926	79	Deutsche Bank	58.5850
34	SAUDI ARABIA	125.8401	80	Boeing	57.9930
35	FINLAND	125.4124	81	Dai-ichi Mutual Life Insurance	55.1040
36	GREECE	120.7235	82	Honda Motor	54.7730
37	Mitsui	118.5550	83	Assicurazioni Generali	53.7230
38	IRAN	118.5098	84	Nissan Motor	53.6790
39	Mitsubishi	117.7760	85	CZECH REPUBLIC	53.2500
40	THAILAND	117.0386	86	NEW ZEALAND	52.7135
41	SOUTH AFRICA	116.3242	87	E. ON	52.2270
42	Toyota Motor	115.6710	88	Toshiba	51.6340
43	General Electric	111.6300	89	Bank of America Corp.	51.3920
44	Itochu	109.0690	90	Fiat	51.3310
45	PORTUGAL	107.7889	91	Nestlé	49.6940
46	Royal Dutch/Shell Group	105.3660	92	SBC Communications	49.4890
93	Credit Suisse	49.3620	97	Fujitsu	47.1950
94	Hewlett-Packard	48.2530	98	Metro	46.6630
95	HUNGARY	47.8293	99	ALGERIA	46.6016
96	UNITED ARAB EMIRATES	47.2339	100	Sumitomo Life Insurance	46.4450

Country GNP data from the World Economic Outlook 1999 Database (IMF) at <http://www.imf.org/external/pubs/ft/weo/2000/02/data/index.htm>; corporate income data from Forbes' Global 500 at <http://www.fortune.com/fortune/global500/>

Source: Robbins 2005, pp. 128-9

use of PMCs for security and other reasons. Thus oil giant BP has used DSL to protect pipelines in Colombia, and Shell and Chevron ‘have financed portions of the Nigerian military and police to secure their facilities in Nigeria’ (Avant 2004, p. 154; Renou 2005, p. 108; Robbins 2005, p. 132).

The financial wherewithal is certainly not beyond many large corporations as **Table 1** demonstrates. In terms of revenue generated, many of these corporations are larger than some states. Of the 100 corporations and countries listed in this table corporations make up nearly of the total. On the surface it would seem that many of the corporations manage economies on a scale comparable to nation-states. For some scholars, Robbins (2005), Hertz (2002) and Monbiot (2000), this table suggests that corporations are now in a position to ‘rule the world’. While the figures suggest that corporations are a force to be reckoned with, revenue alone may not be sufficient. Moreover, it might be objected that the comparison in **Table 1** is misleading since it could be argued that it compares apples and oranges. The revenue of the corporations as listed is not adjusted for value-added which, according to Thompson (2003, p. 407), needs to be done if the comparison is to be between ‘like with like’ and the figures rendered meaningful. In his view ‘[c]orporate value-added is typically between 20% and 30% of turnover’ (Thompson 2003, p. 407). Adjusting the figures accordingly would put the top five corporations on this list – General Motors, Wal-Mart Stores, Exxon Mobil, Ford Motor and Daimler Chrysler – to below that of Algeria. Hence the weight of argument that such a comparison is required to bear needs to be adjusted a little.

The point in making the comparison is not to go as far as Hertz (2002) and Monbiot (2000) to assert that corporations have taken over the world to such an extent that nation-states may be redundant. Rather the concern was to highlight the financial capacity for corporations to extend their operations into developing a military capacity to such a degree that they will no longer need, nor be cowed by, the state of the territory in which they are operating. Furthermore, the close relationship between some PMCs and transnational corporations (TNCs), in particular the fact that more than a few PMCs are subsidiaries of large TNCs, means that there are now significant centres of military force existing outside of the state’s ability to control it, let alone

counter it. PMCs (and global corporations) may no longer need to fear or be responsive to the edicts of the state.

Conclusion

The rise of PMCs, especially those with ‘tip of the spear’ capacity, and the state’s willingness to make use of them, would therefore seem to pose serious problems for prevailing notions of sovereignty and the capacity to govern. They provide alternatives to (and for) a state’s military services yet they are, at present, entirely unregulated, have a global reach and highly mobile. For various reasons, but principally to enhance policy objectives without overt accountability and to reduce budgetary liabilities, states have encouraged the privatisation of security while simultaneously refocusing their own military capacity. This may make sense in terms of the provision of supplies, infrastructure and logistical support. But when it comes to outsourcing personnel to deliver lethal force, a task hitherto exclusively reserved for the state, the situation changes dramatically. This poses a structural problem for the authority and legitimacy of the state.

The problems involve more than working out how to control or regulate this market to minimise its corrosive threat to the prevailing social and legal order. The argument developed herein is that the problems involve corroding the basis for the legitimacy of the modern state. If the military muscle of the state is shared or fragmented, or at least too widely dispersed, then the means to compel respect for and obedience to constitutionally sanctioned rules and prevailing social norms is likewise diminished (if not negated). Without the means to enforce or compel legitimacy the capacity for the state to be sovereign must therefore become an open question.

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