



Working Paper Series

No. 9, October 2010

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Hernandez, K. M. G. (2010). *'Pirates' in the Sea: Private Military and Security Company Activities in Southeast Asia and the Philippines case*, Working Papers Series, no. 9, October, Global Consortium on Security Transformation (GCST).

Available at: http://www.securitytransformation.org/gc_publications.php

This publication was co-financed by our donors:



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‘Pirates’ in the Sea: Private Military and Security Company Activities in Southeast Asia and the Philippines Case

*Katherine Marie G. Hernandez**

1. Introduction

According to a retired Colonel and Director of Security Support in Fiji, Sakiusa Raviocce, who runs the biggest of the six mercenary employment agencies in Fiji, ‘private armies became a viable commercial enterprise the moment America invaded Iraq’ (The Warrior Lawyer, 2008). The privatisation of warfare (or security for that matter) in Iraq and Afghanistan refers to the hiring of private military/security companies (PMSCs) by the United States government, through its state agencies, to undertake functions that were traditionally performed exclusively by members of its armed forces. The hiring of such companies is not a new phenomenon, nor is its development specific to the U.S. The practice of tapping guns or mercenaries for hire has long been in existence even before Machiavelli described them as one type of army in his work *The Prince*.¹

Outsourcing of military services may not be a new phenomenon, but PMSCs have evolved only in the past 15 years, proliferating rapidly since the end of the Cold War. This diversification can be attributed to the changing nature of conflict after 1989 (Singer, 2005). The downsizing of major armies left an abundance of well-trained and experienced soldiers available to set up and be employed by PMSCs. The reduction in the size of the military at a time when numerous conflicts emerged in different parts of the world, led the U.S. government to increase military outsourcing in order to respond to these conflicts (Avant, 2004), and to manage the growing unpopularity of its war on terror on the domestic front.

The privatisation of security may be a global development, but the operations of private military and security companies have different impacts across regions. This paper looks at private military and security companies in Asia, particularly in Southeast Asia and how these companies have conducted their operations in the region. The sources used are articles, books, official documents, and documents available on the internet. This paper aims to consolidate data on what has been written about private military and security groups operating in the region and the activities that they are involved in, such as the provision of security to private entities

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¹ According to Niccolo Machiavelli, if a Prince wants to be successful, he must have a strong army. He advised the Prince to have a citizen army and cautioned against the use of mercenaries since the latter type do not have any loyalty and will follow whoever can offer them the highest pay.

(i.e., corporate offices, business establishments, and mostly non-government clientele), training for government law enforcement personnel or a segment of the armed forces, maritime security activities, and recruitment.

$$PMCs + PSCs = PMSCs$$

What does the term private military security or private security corporations encompass? The terms are used interchangeably. Private military companies (PMCs) are generally corporate entities that provide armed offensive services designed to have military impact in a given situation that are generally contracted by governments. PMCs are usually perceived to offer traditional military services, majority of which offer passive kinds of services such as training and logistical support, while private security companies (PSCs) tend to offer a more active kind of service, i.e. providing protective security (Richards and Smith, 2007, p. 4). Thus, PSCs are corporate entities that provide defensive services to protect persons and property, which are frequently used by multinational companies in the extractive sector, humanitarian agencies, and individuals in situations of conflict or instability (Lilly, 2001, p. 4). Collectively however, PSCs and PMCs are also referred to as private military and security companies or PMSCs.

The Montreux Document², which contains rules and good practices relating to private military and security companies operating in armed conflict, provides a useful definition. It states that, regardless of how they describe themselves, PMSCs are private entities that provide military and security services. Military and security services include armed guarding and protection of persons and objects, such as convoys, buildings, offices, and other places. Maintenance and operation of weapons systems, prisoner detention, and advice to or training of local forces and security personnel are also part of the services offered by PMSCs (Montreux Document, 2009, p. 9).

In the Philippines, the definition of PMSCs also covers private security agencies (PSAs). These are private entities that provide security services, particularly armed guarding and protection, such as private detectives, watchmen or security guards/agencies.³ However, there are groups in existence in the Philippines, which behave like, but are not really PMSCs. Other private security groups are those armed auxiliaries used by the State against rebel groups. These are citizens who are armed by the State or by private interests (i.e., local warlords) and legitimized by their participation in campaigns against the *enemies of the state*.

2. PMSCs in Southeast Asia

There is a common belief that the operations of PMSCs are largely confined to Africa and the Middle East. However, these entrepreneurial groups are expanding into Asia and in Southeast Asia in particular. A cursory glance at the nature of civil-military relations of the countries in the region would give the impression that it offers a fertile ground for PMSC activity. The region is

² Included as Agenda item no. 76 in the sixty-third session of the UN General Assembly dated 06 October 2008. The document is the result of an international process launched in 2006 by the Government of Switzerland and the International Committee of the Red Cross (ICRC) to promote respect for international humanitarian law and human rights law amongst PMSCs. See: <http://www.icrc.org/web/eng/siteeng0.nsf/html/montreux-document-170908> (Accessed on 06 November 2009).

³ Private security groups in the Philippines undertake a range of activities. These include investigation and detective work (including surveillance), as well fighting insurgent groups as auxiliaries to the regular armed and police forces. This likewise reflects the situation in Southeast Asia. Whereas, there might be differences in details regarding private security agencies in Southeast Asian countries where these groups might actually exist, these largely share the same characteristics with the Philippines in that they are engaged mostly in the provision of security to persons or objects, or as groups involved in investigating cases of personal or domestic disputes.

best described in terms of the diversity that exists across states and within states. Such diversity cuts across the political, economic, social, and cultural milieu within each state. It is a region where on the one hand, there is long-standing constitutional and political continuity, and on the other hand, there are short-term governments that end or rise through sudden and most likely, extra-constitutional change. The differences in people's economic conditions are usually reflective of the country's ethnic and cultural diversity. Inequality makes it easier for political conflicts to spark and flare into protracted, brutal, and often, armed conflicts.

Consequently, the overriding political climate characterizing the region has been one of armed conflict. Most countries in Southeast Asia, with the exception of Thailand, fought for their independence during the colonial period. Despite having then established themselves as independent states, they continue to be plagued by problems like building a national identity, social cohesion, governments' legitimacy, insurgencies, and variations thereupon. To this day, extremist groups in Southeast Asia are engaged in a violent conflict with their respective governments. An example of this is the 'JI' or Jemaah Islamiyah, a group which, although operating in the Philippines, has influence that extends beyond Philippine shores to Indonesia, Malaysia, and Singapore.

The histories of the militaries in the region show that they have played an important role in keeping domestic order and stability. They have been used to suppress civil uprisings, oppress their own people in behalf of authoritarian governments, or even topple governments to gain power for themselves or with political allies. They are equipped with the best weapons and provided the best training. An organisation that is highly centralized and under the control of the state, they have monopolised the use of force in society. This explains why the activities of PMSCs are limited and they do not involve the participation of the governments. The central/national governments (and in the case of Thailand, the military itself) have not allowed any other entity outside the military, to have the 'right' or capability to use force that can rival their own. The role of the armed forces of states in the region does not create enough space for PMSCs to find an opening to enter into the sphere of operations. PMSCs may have expanded their operations into the region, but they have not yet been contracted to perform activities that are reserved for the armed forces.

The expansion of the private military industry's sphere of operations into Asia has been brought about by the transformation of Asian economies and polities, for good or ill. However, it can also be linked to the development and dissemination of radical political and religious ideologies into and within the region. The region has experienced a revival of religious extremism together with a sharp sense of maintaining ethnic identities and boundaries (Chalk, 1997, pp. 7-11), which could, in the future, provide fertile ground for armed conflicts to arise. With the war against terror, threat of global financial crisis, increasing piracy attacks, and the general feeling of insecurity, the sense of threat, especially to foreign interests, have increased significantly, creating a demand for the services of PMSCs in the region, especially from multinational companies.

3. Training, Advisory Services and Logistical Support

The types of activities in which PMSCs are engaged within the region span from purely advisory roles to protective services. An article by David Isenberg, 'Security for Sale,' discusses countries in Asia where PMSCs are conducting activities. PMSCs in particular, whose members

are ex-military officers, are doing well in providing training for the armed forces in the region. For instance in Sri Lanka, the government hired PMC pilots to fly its gun ships, while in Indonesia, the PMC Executive Outcomes⁴ provided training and support for the Indonesian Special Forces in hostage rescue operations in 1996. The training was in preparation for the Indonesian Special Forces operations in West Papua (Irian Jaya). In Malaysia, TASK International trained the Royal Malaysian Police in close protection, hostage rescue, defensive driving and crisis management for the 1998 Commonwealth Games in Kuala Lumpur.⁵

Aside from providing training to the armed forces of states and their agencies, PMSCs operating in the region also provide logistical support,⁶ advisory services,⁷ and de-mining services for both public and private sector. In 1993, the Cambodian government used a French company, COFRAS, to provide de-mining services at the Angkor Wat complex. COFRAS cleared 1,337 mines and 4,938 items of unexploded ordinance from 24 structures, including temples, pagodas, and schools in the vicinity of Angkor Wat (Seiler, 2009, p. 4). Control Risks Group (CRG)⁸ provides security planning for mine sites in the Philippines, where mining companies face threats from local members of the New Peoples Army (NPA). In 2002, the US-based Sayeret Group worked with personnel of the Philippine National Police (PNP). Other PMSCs working for the Philippine government are the British PMSC ArmorGroup International⁹ and the US PMSC DynCorp International (Seiler, 2009, p. 11).

The Philippine company Grayworks Security also provides security to large corporations. It has employed a number of former members of Canada's military and police forces as advisers to deal with the various armed groups in Mindanao engaged not only in kidnapping, but drug trafficking as well. Grayworks is said to have also provided some training to the North Cotabato provincial police and was hired by a number of big companies, including DOLE (Rimban, 2003).

There have been reports that Grayworks is engaged in combating elements of the guerrilla organizations of the Moro Islamic Liberation Front (MILF), Abu Sayyaf, and the New Peoples' Army, primarily on the island of Mindanao (Fraser, 2007). For instance, 'Pentagon' a gang formed by the MILF, has been involved in kidnap-for-ransom of foreigners and conducted attacks on the Dole Plantation in Polomolok, South Cotabato and even tried to abduct the Dole Regional Director (Rimban, 2003). In 2000, Filipino troops and a Grayworks trainer went on a mission to Jolo Island (in Mindanao) in search of Abu Sayyaf after 21 foreign tourists were taken hostage. It

⁴ Executive Outcomes began as a private military unit of the South African Army. Members of this company were recruited from the South African government's Special Forces units, which were dismantled following the end of apartheid. Members of the dismantled units specialized in assassination and guerrilla warfare and after they were recruited by Executive Outcomes, they were given training in all areas of combat: sea, air, and land (Mattingly, 2008).

⁵ See Mercenaries in Iraq include Filipinos (27 February 2007).

⁶ The Australian forces may have led the United Nations Transitional Administration peacekeeping force for East Timor in 1999, but they were dependent on logistics that was outsourced to private companies. The United Nations also employed private intelligence and security firms to assist in its operations in East Timor.

⁷ Taiwan also has employed PMCs to provide advisory services to the military.

⁸ CRG is a private security company, based in London, that was founded in 1975 as a subsidiary of the Hogg Robinson insurance and travel group. CRG's four main operating areas are: political and security risk analysis, confidential investigations, security consultancy, and crisis response. The majority of their clients are large multi-nationals. See http://www.sourcewatch.org/index.php?title=Control_Risks_Group (Accessed 20 December 2009).

⁹ ArmorGroup International is a British company providing private security. It was founded in 1981 and was listed on the London Stock Exchange until 06 June 2008. It was acquired by G4S in April 2008. ArmorGroup provides protective security services, risk management consultancy, security training and mine action services. It has 38 offices in 27 countries, including Afghanistan, Bahrain, Colombia, Iraq, Lebanon, Nigeria and Sudan. See <http://www.armorgroup.com> (Accessed 03 January 2010).

is not clear whether it was the Philippine government that tapped Grayworks or the governments of those taken as hostages.

While in 2005, an ex-Canadian Army soldier, 'William,' was reported to have led the team for Grayworks that were tapped by Mayor Efren Piñol, Sr., to train the mayor's private army with a force of 12-15 men. Its members include the Mayor's bodyguards and former Filipino soldiers. This incident was featured in a six-part series in *The Ottawa Citizen* and *The Vancouver Sun* entitled, 'Soldiers of Fortune' (Alcuitas, December 2005). The private army was trained by Grayworks under 'William' to address the attacks of members of a guerrilla movement, the New Peoples Army (NPA), in the town of Magpet, Northern Cotabato in Mindanao. Mayor Piñol's justification in tapping Grayworks is that the Armed Forces of the Philippines (AFP) could not be relied on to effectively address the NPA situation in his town. When asked for help, members of the AFP stationed in the area could not immediately respond given the chain of command and they could not respond to NPA raids/attacks without prior signal from their senior officers (Pugliese, 2005).

4. Anti-Piracy Activities

Since the early 1970s, incidences of piracy and crime committed on the high sea have steadily increased in Southeast Asia, and the region has become one of the 'hot spots' for pirate attacks on commercial vessels, barter traders, and fishing boats (Warren, 2003, pp. 13-17). Statistics show that the number of actual and attempted attacks reported worldwide from 1992 to 2006 ranged from 90 attacks in 1994, to 469 in reported incidents in 2000 (International Maritime Bureau, 2007). From 1990-1992, the waters between the Malacca and Singapore Straits were identified as the most pirate-prone. But between 1993 and 1995, a high proportion of the reported incidents took place in the South China Sea, particularly in the territorial waters of Hong Kong and Macau and the so-called 'HLH terror triangle' or the waters of Hong Kong, Luzon in the Philippines, and China's Hainan Island (Chalk, 2000, pp. 68-71). In response, PMSCs such as Trident have been hired to undertake anti-piracy duties in the South China Sea. In 2007, the Economist reported on two PMSCs – Marine Risk Management and Satellite Protection Services (SPS) – that were deployed to deal with piracy. SPS even suggested stationing 2,500 former Dutch marines in Subic Bay in the Philippines – for US\$2,500 per day per combatant (Isenberg, 2003).

Thus, it may not come as a surprise that a bulk of what has been written about PMSCs in Southeast Asia focuses on the maritime security services provided by these companies. Such services are usually provided in addition to and not as a replacement for the maritime security provided by Southeast Asian states and their government agencies. However, it is expected that PMSCs will have an opening in conducting maritime security in the region. After all, Southeast Asia is home to important sea-lanes of communication (SLOCs) and straits, including the Malacca Straits, which is one of the busiest waterways in the world. Singapore harbour has the largest container turnover rate in the world after Hong Kong, followed by the Chinese ports of Shanghai and Shenzhen (Liss, 2007, p. 1). There is therefore an obvious need to secure the oceans in the region, since they are being used not only by commercial vessels, but also passenger vessels such as yachts, cruise ships (Stehr, 2004, pp. 58-59).

In addition to having vital sea lanes, the region is also home to gas, oil, and mineral resources

and both onshore and offshore energy installations operate all over the area. According to Liss, companies extracting oil, gas, or other natural resources depend on offshore platforms or terminals along the coast from which the extracted goods are shipped around the world (Liss, 2007). Furthermore, these oil and gas fields are located in economically underdeveloped or politically volatile states. The same is true for mining sites. For instance, there was a kidnapping incident of three employees of a British owned company, Premier Oil in East Java in 2000-2001 by local residents due mainly to concerns of the effect the company's operations will have on both farmers and fishermen (Liss, 2007, p. 2).

Other services that PMSCs provide in the region include anti-piracy duties. The demand for the services of PMSCs in the maritime sector include assessment and consulting for ship owners and port operators, training of naval and maritime security forces, insurance fraud and cargo crime investigation, the protection of oil platforms and storage facilities against rebel or terrorist attacks in the region (Liss, 2007, p. 4).

Note however, that the bulk of the demand for these services comes from insurance companies and banks where head offices are located in major cities all over the globe. An important aspect of the work of PMSCs for these companies with interests in the maritime sector is fraud and maritime piracy. Fraud or theft by deception includes insurance fraud, document fraud, and container fraud to name a few (Ellen, 1997, pp. 112-114). Risk assessments conducted by PMSCs are vital for aiding the decision-making processes of these key operators in the maritime industry, particularly the insurance company underwriters (Bradsher, 2005).

To cater to the needs of such clients, an increasing number of PMSCs offering anti-piracy security services stationed outside Asia have opened regional offices in Singapore, Hong Kong, and Bangkok (Liss, 2007, p. 3). The Singapore-based Company, Background Asia Risk Solutions (BARS), Global Marine Security Systems,¹⁰ and Hart¹¹ have all been providing maritime security in the Malacca Straits. At the height of piracy outbreak in 2004, a lot of PMSCs based in Singapore found a niche in providing armed guard and escort services for vessels using the Malacca Straits. However, the publication of a handful of newspaper articles in The Straits Times describing such services sparked an outcry from the Malaysian and Indonesian authorities (Boey, 2005, p. 3; Sua, 2005).

5. Recruitment

As already noted, the security environment after the end of the Cold War, and particularly after the U.S.-led wars in Iraq and Afghanistan, saw a rapid growth in PMSC activity. The downsizing of major armies left an abundance of well-trained and experienced soldiers ready to set up and be employed by PMSCs and the reduction in the size of the military at a time when numerous conflicts in different parts of the world emerged, led the U.S. government to increase military outsourcing in order to respond to these conflicts (Avant, 2004).

¹⁰ Global Marine Security Systems Company was formed in November of 2001 by the Hart Group, the merchant bank Oceanic, and the New York-based Energy Transportation Group for the purposes of protecting the transportation of materials like liquefied natural gas and liquefied petroleum gas from terrorists and to assure ports they are bringing in a safe load. On their webpage they describe themselves as the maritime security division of Hart GMSSCO. See http://www.sourcewatch.org/index.php?title=Global_Marine_Security_Systems_Company (Accessed on 03 January 2010).

¹¹ See <http://www.hartsecurity.com> (Accessed on 03 January 2010).

Private security guards employed by western PMSCs make up the second highest number of armed forces currently posted in Iraq, after the US military but ahead of the British troops. The UN Working Group on Mercenaries reports that Filipino former policemen and soldiers are among the growing number of ‘mercenaries’ recruited to provide security in Iraq (Manila Times, 2007). Many of the recruits are former members of the police and military forces in the Philippines, Peru, and Ecuador (Manila Times, 2007).

Many Filipinos are being recruited by foreign PMSCs to work abroad, prompting the Philippine government to ban the deployment of Filipino workers to Afghanistan, Iraq, Nigeria, Lebanon, and Jordan in December 2007 (Seiler, 2009, p. 11). However, Filipinos continue to be recruited by PMSCs using sub-agents scouting for potential personnel and acting individually to avoid alerting Philippine authorities. They then use Dubai, Bangkok, or Hong Kong as ‘jumping points,’ where they are flown as tourists and are then ‘recruited’ there before taking an onward flight to Afghanistan.¹² Another innovative way of recruiting potential Filipino PMSC personnel is through events sponsored by local gun clubs, wherein a foreign expert from then Blackwater/Xe, will conduct pistol or rifle training. It is on those occasions that recruitment takes place. A representative of Blackwater/Xe added that the Filipino workers were trained at a firing range at the Clark special economic zone in 2008 because their employment contract required arms familiarization (Risen and Williams, 2009).

5.1. Recruitment in the Philippines

It is important to understand the character of the institution under which PMSCs look for their potential recruits in the Philippines. Under Section 3.¹³ Article II of the 1987 Philippine Constitution, the Armed Forces of the Philippines (AFP) is mandated to protect the people and the state. It has the duty to secure the sovereignty of the state and the integrity of the national territory. The formal organisation of the Armed Forces started under the American rule in 1936, in accordance with the National Defence Act under then President Manuel L. Quezon. He issued Executive Order No. 1 creating the Philippine Army and placed it under the Insular Police, which was later on known as the Philippine Constabulary (PC). It was in 1947 that the Armed Forces were recognized as the AFP, which was then composed of the Philippine Ground Forces, the Philippine Air Force, and the Philippine Naval Patrols.

At the height of its anti-Communist insurgency campaign, the Armed Forces evolved into four (4) major services: the Philippine Army, the Philippine Constabulary, the Philippine Air Force, and the Philippine Navy. On 10 December 1990, Republic Act No. 6975 (R.A. 6975)¹⁴ was passed into law, which separated the Philippine Constabulary from the AFP and placed under the Department of Interior and Local Government (DILG). Section 2 of R.A. 6975 stated that the police force shall be national in scope, civilian in character, and shall perform police

¹² Kuwait and Dubai are also ‘recruitment hubs’ for third country nationals in the region whose contracts have expired and are looking for a new job.

¹³ ‘Sec. 3.: Civilian authority is, at all times, supreme over the military. The Armed Forces of the Philippines is the protector of the people and the State. Its goal is to secure the sovereignty of the state and the integrity of the national territory.’

¹⁴ This law is also known as the ‘Department of Interior and Local Government Act of 1990’. It states that 24 months after the coming into effect of the Act, the DILG will take over from the AFP the primary role of preserving internal security including suppression of insurgency and serious threats to national security and public order. The transfer of such responsibility leaves the AFP to perform its primary function of preserving external security.

functions. The law further stated that no element of the police force shall be military, nor shall active members of the AFP occupy any position therein. Essentially, the police shall be in charge of implementing policies on public order and safety and protect the citizenry from all forms of lawlessness, criminality, and other threats to peace and order.

The separation of police functions was further clarified with the passing of Republic Act No. 8551 on 25 February 1998.¹⁵ This law relieved the DILG of its responsibility for suppressing insurgencies and other serious threats to national security. Also, the law reiterated the civilian character of the police, whose function is to maintain peace and order, and public safety. The PNP is tasked to support the AFP, through information gathering and performance of its ordinary police functions,¹⁶ on matters involving suppression of insurgency. With the delineation of the functions of the military and the police, each institution developed their own expertise in their respective spheres of influence. The AFP is concerned with conflict resolution, guerrilla warfare, and peace-building, while the PNP addresses matters of peace and order.

In the Philippines, the members of the police and the armed forces are on the top of the list when it comes to PMSC recruitment. The resources available to the PNP and the AFP are limited, which translates into low salaries and poor equipment. These factors make members of the PNP and AFP susceptible to PMSC recruitment. A General of the AFP or a Director General of the PNP receives a monthly base pay of Php 37,500 (or around US\$806.50¹⁷), while a private in the AFP or a Police Officer 1 of the PNP gets Php 10,808 (or US\$232.43). The lowest position in the AFP is a candidate soldier, with Php 8, 630 (or US\$185.591) monthly base pay.¹⁸ Thus, it makes good economic sense for these men to accept offers from PMSCs and work in places, which they may only consider equally dangerous to places of assignment at home. Furthermore, the equipment and weapons they are given as PMSC personnel are often far more reliable and of a higher-grade than those they are issued with their own governments. For instance, Erynis International offers Filipinos a salary of US\$3,000 a month to provide security on the perimeters of the Baghdad Green Zone (International Zone) (Tordesillas, 2006).

An important implication of the recruitment of Filipino soldiers and policemen, particularly the former, is the decreasing number of soldiers in the armed forces. In a country where long-standing insurgencies remain one of the main problems, the dwindling of troops is a major problem for state stability and survival. Note that the Philippines have armed groups, which inhabit a space between the armed forces of the state and privately raised armed groups. These groups are state-sanctioned and are considered to be extensions of both the armed forces and the police. At the same time, as auxiliary forces¹⁹ to the regular armed and police forces, they are neither as well trained nor as disciplined. However, members of these groups are susceptible to

¹⁵ This law is also known as the 'Philippine National Police Reform and Reorganization Act of 1998'. The DILG was likewise relieved of its responsibility on matters concerning the suppression of insurgencies and other serious threats to national security. It was also emphasized that it is only in times of national emergency and upon the direction of the President that the PNP shall assist the AFP in addressing the national emergency. Such provisions reiterate the specific functions of the PNP and establish the relationship between the AFP and PNP.

¹⁶ Section 3, R.A. No. 8551.

¹⁷ The exchange rate of US\$1 = Php 46.50 was used for conversion of pesos into dollars.

¹⁸ Annex B of Executive Order No. 811, dated 17 June 2009, entitled, 'Adopting the First Tranche of the Modified Salary Schedule of Civilian Personnel and Base Pay Schedule of Military and Uniformed Personnel in the Government, as well as the Modified Position Classification System Pursuant to Senate and House of Representatives Joint Resolution No. 4, S. 2009.'

¹⁹ There are two different sets of armed auxiliaries in the context of the Philippines. The first ones are those sanctioned and organized by national state authorities. These are the CAFGUs and the Civilian Volunteer Organizations (CVOs), auxiliary forces under the operational control of regular military and police forces.

being recruited by privately organized armed groups or private armies of local warlords such as the Ampatuans in Maguindanao. The 1987 Philippine Constitution provides for the abolition of private armies. Yet with a weak and small number of armed forces, not to mention a proliferation of firearms made easy to procure by weak Philippine laws and a permissive attitude within Philippine society towards the idea of gun ownership and use (Misalucha, 2004, pp. 131-132) local private armies may easily overrun a particular territory resulting in small-scale armed conflicts throughout the Philippine archipelago.²⁰

An important factor that must be considered in relation to the issue of recruitment is the unemployment rate in the Philippines. In January 2009, a Philippine Labor Force Survey estimated unemployment at 7.7 percent, with the highest unemployment rate recorded in the National Capital Region (NCR) at 14.0 percent. Of those unemployed, 64.1 % were males and 35.9 % were females. Further breaking down the statistics by age group, 49.2 % were 15-24 years old, while 30.3 %, were 25-34 years old. And across educational groups, the unemployed were comprised mostly of high school graduates (32.7 %), college undergraduates at about one-fifth (22.2 %), with the college graduates at 18.3 percent.²¹ This means a very high proportion of the unemployed fit the demographic targeted by PMSCs for recruitment.

5.2. Recruitment as a resource drain and the Philippines' 'private armies'

Economic conditions have made it easy for PMSCs operating internationally to recruit from countries like the Philippines. While these activities could be argued as being no different from the normal recruitment activities of a multinational corporation, the kind of work involved and the potential for wrongdoing (such as human rights abuses) that could emanate from such work are of great importance to the country from where such recruitment is taking place.

Recruitment of members of the AFP and the PNP has serious implications to how the Philippines will address warfare, governance, and security relations. The Philippines still faces long-standing insurgencies, which the regular forces of the AFP have so far been able to conclusively address. The recruitment of the regular members of the uniformed services by PMSCs exacerbates this problem. To partially address this, the government has mandated the establishment of armed auxiliary forces such the Citizen Armed Force Geographical Units (CAFGUs)²² and Civilian Volunteer Organizations (CVOs).²³ However, these groups are not well disciplined nor trained to the level of the regulars. If PMSC recruitment continues, the number of AFP personnel will continue to dwindle, and the 'replacements,' which lack discipline and training, and are armed

²⁰ Section 24, Article XVIII of the Constitution mandates the dismantling of private armies and armed groups that are not duly recognized by duly constituted authorities. Examples of armed groups recognised by duly constituted authorities are CAFGUs, CVOs, private security agencies or those corporations which provide security guards for banks, malls, and other institutions. Thus, the Constitution prohibits groups that are privately funded by private persons or local politicians and are being used as their personal armed forces.

²¹ <http://www.census.gov.ph/data/pressrelease/2009/1f0901tx.html> (Accessed on 08 January 2010).

²² Executive Order 264 dated 25 July 1987 directed the Secretary of National Defence to cause the organisation of the CAFGUs nationwide due to what was then a still growing communist insurgency. The concept of the CAFGU is based on the 'citizen armed force' mandated by Section 4, Article II of the 1987 Philippine Constitution. Republic Act No. 7077 or the AFP Reservist Law of 1991 gives it recognition as an integral part of the AFP reserve force.

²³ First organized in 1982 in Claveria, Misamis Oriental province, CVOs provide community or local protection. Members of these CVOs are commonly known as 'Barangay Tanods' (Village Watch). They are tasked with community-level crime prevention, monitoring, and coordinating mechanism of the Local Peace and Order Council. CVOs are intended to augment police work at the community levels by acting as neighbourhood watch groups, and supporting and implementing local peace, order, security, and development projects. However, despite this mandate, some CVOs are armed and have been involved in armed operations such as the Maguindanao Massacre.

with substandard equipment, will be left to conduct warfare against insurgents. Thus, the AFP will have to face serious problems as regards efficiency and effectiveness of missions/operations, and human rights abuses.

Furthermore, since these groups are intended for area defence, interests other than that of the state (particularly those of the local government unit to which they are assigned, or those private businesses in the areas they serve), are promoted even if they are contrary to state policy. A recent example would be the Maguindanao massacre.²⁴ The private army that carried out the massacre belonged to one of the local warlord families (the Ampatuans), was composed of private bodyguards as well as some members of the PNP, CVOs, and CAFGUs assigned in the area. With the members of the regular forces promoting the interests of others instead of the state, how can for instance, the Chief of Staff of the Armed Forces of the Philippines (CSAFP) or a regional commander of a unit effectively address the insurgency problems, when the ‘enemy’ involves some of their members or those from the PNP?

The presence of these ‘private armies’ makes the Philippines unique. In the case of the Philippines, the weak state provides a framework in which private individuals can hire their own private security with little expectation of state interference. The question of the Philippine government’s involvement or lack of it opens up questions about the lack of transparency in its conduct of business – a question that leads to further questions about warfare, governance, and security relations. While the political environment has made it difficult for PMSCs to prosper at the domestic level, economic conditions has made it easy for PMSCs operating internationally to recruit from countries like the Philippines. While these activities could be argued as being no different from the normal recruitment activities of a multinational corporation, the kind of work involved and the potential for wrongdoing (such as human rights abuses) that could emanate from such work are of great importance to the country from where such recruitment is taking place.

6. Conclusion

The literature on PMSC activity in Southeast Asia is thin, partially because only a handful of activities are carried out by foreign PMSCs in the region. PMSC activities in the region (namely the provision of training, logistical support, recruitment) are relatively harmless, in the sense that none of them entail outsourcing on the traditional functions of the armed forces of governments in Southeast Asia. In fact, there is something gained in the form of transfer of skills and knowledge. Although there have been some mention of this type of activity in the literature, the sources available are scarce. However, the state sources on this matter may be difficult to get hold of, considering no government will admit hiring PMSCs to provide some kind of training for its armed forces. Almost none of the literature addresses the issue of local PMSCs engaged in domestic security activities.

The bulk of PMSC operations in Southeast Asia are maritime security activities. With government authorities and agencies often unable to address the maritime security concerns, the participation of PMSC in addressing this need will continue to be significant. PMSCs in Sout-

²⁴ On 23 November 2009, 57 people (journalists, relatives of a rival local politician, and lawyers) were brutally murdered by an army of men composed of elements of the local police and CVOs, and the private army of a rival political clan (the Ampatuans).

theast Asia offers services that range from protection of specific assets, ports, underwater assets, offshore energy installations, slow-moving commercial vessels, fishing grounds as well as boats, cruise ships, tugs and navy vessels visiting foreign ports, to name their most common tasks.

A range of multilateral and bilateral agreements and other cooperative efforts to enhance maritime security have been implemented and discussed since 1992. The Association of Southeast Asian Nations (ASEAN) played a leading role in these efforts, with ASEAN leaders pledging in October 2003 to increase cooperation in order to create a 'security community' to combat piracy, terrorism, and other transnational crimes in the region. However, the initiatives and efforts of ASEAN to increase security have been limited by its policy of non-interference in domestic affairs (Valencia, 2005, pp. 104-106). This leaves a space for PMSCs to operate and fill in the gaps that are left open due to such existing policies within the region.

Although there are instances when government agencies contract with PMSCs, it is usually limited to availing of the expertise of PMSC personnel in training. The engagement of PMSCs as providers of security in the region, particularly those plying its oceans, can be attributed to the need of private companies to protect their interests or businesses, which they think the governments cannot adequately provide. Thus, regulation of these private actors is being pushed to address issues of legitimacy—their legitimacy to act, tacitly or explicitly, as part of state or region-wide policies—especially since the services they offer are vital to the region, particularly its maritime security.

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