**The Force of Relationships: The Influence of Personal Networks**

**on the Market for Force**

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Abstract:

Since the 1990s, military support and security services in hostile environments have been increasingly traded on the market for force. Surprisingly, how exchange is organized on the market for force remains predominantly focussed on the neoclassical model, which assumes anonymous exchange, and sellers compete through price and quality of product for customers. However, the model seems to be incomplete as it describes some empirical patterns, yet not others. Why are service backgrounds clustered together and why do specific nationalities dominate the market in Iraq and Afghanistan war? Why are they not distributed evenly as price and quality competition would suggest? The argument here is that social factors need to be taken into account, i.e. personal relations. The logic being that sellers and customers trade through existing relationships, and familiarity is the dealmaker, rather than price. The article takes on the challenge to develop a sociological conceptualisation of the market able to integrate both logics. Finally the approach is put to the test on the labour market for Western security operator. The results demonstrate that personal relationships play a significant role to explain exchange on the market for force, yet co-existence with the neoclassical logic.

Over the last decade, a transnational market for force has developed alongside the state system (Avant, 2005, 3). Increasingly, armed forces rely on civil contractors to perform maintenance, support, logistics, and even armed security-related tasks. Although this is nothing new in general the trend reached an unknown peak in the Iraq and Afghanistan operations. At times there were more contractors supporting the US mission than military personnel deployed. Likewise, other Western powers, international organisations, transnational corporations and non-governmental organisations have made extensive use of civilian contractors (Abrahamsen and Williams, 2011, Krahmann, 2010, Stoddard et al., 2008). The academic literature quickly recognised the trend and dealt with important questions such as the emergence and consequences of the market (Avant, 2005, Verkuil, 2007). However, despite the growing literature, the market for force itself has received surprisingly little attention. In many publications it remains under-conceptualized and is most often simply described according to the commodities traded, e.g. lethal service, training and advice (Chesterman and Lehnardt, 2007, 3, Kinsey, 2006, 10). Although it is important to know *what* is being exchanged, this does not provide insight into *how* market exchange is organised. How do trading partners find each other? What are the rules of the exchange? Although these questions have not been discussed extensively in the literature on the market for force, a detailed understanding of this market does exist. Implicitly or explicitly, a significant part of the literature has assumed a neoclassical market model (see: (Akcinaroglu and Radziszewski, 2013, Brauer, 2008, Drutschmann, 2014, Mahoney, 2017, Petersohn, 2014, Petersohn, 2017). Accordingly, the market is considered to be an arena coordinating voluntary exchange of goods and services between anonymous actors. In order to identify a trading partner, customers focus on the lowest price and best quality of the product. Hence market participants compete with each other and seek to outperform each other, to win contracts and to attract customers. The logic being, if they provide poor service quality, charge overly high prices or even cheat they simply get replaced and eventually eliminated by competition (Carafano, 2008, 121, Gansler, 2003, Hilke, 1993). Indeed, there appears to be some anonymous exchange. For instance, out of 2.2 million contract actions on the US service market for force in the period from 1996 to 2003, 40% were conducted under full and open competition (Center for Public Integrity, 2013, 155). In 2010, the number had increased to 55% of all defence contracts being subject being to full competition (Makinson, 2004). However, the theoretical model is challenged by other empirical patterns of interaction on the market. Contrary to the expectations, competition does frequently not seem to weed out companies despite poor performance, or overcharging (Chatterjee, 2009, 84-85, Rasor and Bauman, 2007). More clearly, on the labour market for force, competition does not seem to influence the recruitment of personnel significantly. For instance, personnel with similar service background is not distributed evenly across contracts, but clustered together; nationalities are not distributed evenly, yet specific nationalities dominated the market in the Iraq and Afghanistan war; clients were increasing payments for highly qualified operators US and UK personnel when supply decreased instead of hiring from other Western countries (Isenberg, 2009, 59-60). The neoclassical model would suggest, nationalities and services backgrounds being distributed evenly across contracts as operators are hired based on price and quality. In short, the neoclassical model can account for the 40-55% of allocation of contracts through open competition, yet cannot explain recruitment patterns on the labour market for force. A revision of how the market for force operates is required. The argument here is that the market for force is embedded in the social and political structure (Dunigan and Petersohn, 2015, Eichler, 2014, Krahmann, 2010, Petersohn, 2015, Prince, 2013, 57). From this perspective, the anonymous exchange is already a social interaction, yet it is not the only mode of exchange, and needs to be complemented by exchange through personal relationships (Burt, 1993, 57, Granovetter, 1985, 484). Accordingly, exchange is not governed solely by anonymous price or quality competition, but also by personal relationships which provide a crucial competitive advantage for those inside over those outside.

The remainder of the article develops a sociological conceptualisation of the market, which acknowledges the embeddedness of markets in a social structure, namely personal networks (Burt, 1993, 57). Second, the article will investigate recruitment pattern on the labour market for force. This examination will provide empirical evidence for the co-existence of anonymous and relational exchange on the market for force. The introduced data are mainly based on several interviews conducted with private security personnel, company representatives and secondary data drawn from the literature.

**Sociological Structure of the Market for Force**

The literature has frequently conceptualised the market for force in a neoclassical manner focusing on anonymous exchange. This perspective considers the market as an undersocialised arena populated by rational cost-benefit calculating agents, choosing exchange partners based on the price and quality of the product only (Granovetter, 1985, 483, Lie, 1997, 344). The sociological approach in contrast claims that markets are social structures (Granovetter, 1985). However, sociologists conceptualise social structure in different ways. The prominent approaches in the debate—role structure and personal relational structure (networks)—will be introduced subsequently.

Despite the differences between the neoclassical and the sociological, both perspectives agree on the basic function of the market. In general, the market is a coordination mechanism for the exchange of goods and services. Furthermore, the basic features of market exchange are monetary, voluntary, repeated and competitive interaction (Brauer, 2008, Rosenbaum, 2000). The argument here goes even further: the neoclassical model actually describes a social role structure, and its exchange logic can be integrated in the sociological approach. The following section will provide a detailed investigation for this claim. Subsequently a detailed discussion of the personal relational structure (network) follows.

*Role structure and the neoclassical market*

Sociologists define market structures as pre-existing shared knowledge, and as roles independent of individual actors (Fligstein, 1996, Rojas, 2006, 342). For instance, market actors require shared knowledge on the role of money and prices to function (Fligstein and Dauter, 2007, 113). In this regard, the neoclassical approach ‘already shows a great deal of social structure’ (Fligstein and Dauter, 2007, 113), and is not a structure-free account as some authors suggest (Jackson, 2007, 235). For instance, the neoclassical model implicitly assumes that actors know about the meaning of money and prices in order to engage in anonymous exchange. The same is true for the role structure put forward by the sociological approach. In any market, actors occupy market roles by default: they are either sellers (applicants) or buyers (recruiters). In order for a market to function, all parties involved need to have a common understanding of the meaning of these roles. It is worth noting that the roles are related to each other and depend on each other for existence, yet they do not depend on their individual occupants (Jackson, 2007, 238). Actors merely occupy certain roles and execute detailed role-scripts that inform the actors about what behaviour is considered appropriate and expected.

On a basic level, sellers offer goods and services, while buyers seek to obtain them. However, beyond the mere functional description, the roles also contain certain expectations about the behaviour of the other party. The neoclassical model assumes a very strict role script: actors are guided by cost-benefit-calculations and profit considerations, and are expected to compete for benefits. While sellers aim to realise a high price with as little effort as possible, buyers want to pay the lowest price for the best product (Jackson, 2007, 238). Since price and quality of a product are the only relevant criteria in the cost-benefit calculation, this is the area where sellers compete with each other. They seek to gain a competitive advantage by offering low prices and high-quality products. The neoclassical model assumes any actor will adhere perfectly to the script. Factors not included in the seller/buyer script, such as personal relations, are not considered crucial in market exchange. From this perspective, social structure is a ‘relation among roles rather than among people’ (Jackson, 2003, 731). Exchange is based on anonymous role interaction (Beckert, 2009, 248). This does not change even when the actors have entered into a contractual relationship. Both buyer and seller maintain a competitive and anonymous relationship.

*Personal relational structure*

Sociologists focusing on networks seek to account for a personal relational structure in the market. This does not mean that a role structure is excluded from analysis; rather, network advocates criticise it for being deterministic of agency (Jackson, 2007, 238). The interpersonal ties between market actors are ‘stylised’, reduced to roles without any individualised content (Granovetter, 1985, 486). The perspective here is that individuals and roles are intertwined, and that the latter does not determine agency. Indeed, agents are constrained by their roles, yet at the same time their practices reproduce these roles (Jackson, 2003, 731). This gives actors leeway to interpret the role script. Their personal experiences and interpretations thus mesh with the role structure. A crucial aspect in this regard is personal relationships and networks of ‘enduring relationships between people who know each other’ (Burt, 1993, Granovetter, 1985, Jackson, 2007, 239), which contain social capital such as long-built trust, familiarity and acquaintance (Burt, 1993, 57, Jackson, 2007, 238-39). It is noteworthy that networks can have different roots. Much of social life is non-economic, and therefore many personal relations are formed outside the market (Burt, 1993, 35, Keohane, 1986). For instance, networks can be generated through repeated contact at the local bowling club, between friends or at the workplace (Granovetter, 2005, 22). In essence, such networks pre-existing in the market render price competition imperfect by creating opportunities for members, which are not available to outsiders (Burt, 1993, 57). Networks provide several mechanisms to yield advantageous effects.

First, networks provide privileged access to market information to members. In the neoclassical market model, information is assumed to spread evenly among all market participants. Everyone has access to the same information at the same time, and is aware of new exchange opportunities, prices and quality. This assumption is highly idealized and not shared by proponents of network approaches (Burt, 2001, 30-31). Information does not spread evenly but through the personal ties making up a social network. Such ties can generate competitive advantages on labour markets by facilitating information flow. Members of the network receive preferential information of higher quality about new opportunities, while non-members either receive no or less quality information. Although networks might have the capacity to disseminate information yet they may become an echo chamber where all members hold the same information which is repeated and therefore redundant. Since information does not spread evenly across the market, information may be held outside the network and not reaching any of the members. However, networks are not isolated, but members maintain connections to other networks, i.e. their connections span structural holes between two networks. Such connections can generate advantageous effects for network members as they can tap into new sources of information from other networks which is not available to non-network members or other networks lacking such connections (Burt, 2001, 30-31, Granovetter, 1973, 1365). In short, networks provide their members privileged access to higher quality information about opportunities and thereby yield a competitive advantage for network members.

Second, networks provide additional advantages when it comes to market interaction. In the neoclassical market model, actors will trade with any anonymous partner who provides the most competitive price and quality. However, cooperation on neoclassical markets is riddled with mistrust and the threat of opportunism. Depending on their cost-benefit rationale, actors might defect or attempt to skirt their obligations during the contract. As exchange is anonymous, actors lack detailed information about the reliability of the exchange partner. In order to address the cheating problem, markets have often established institutional arrangements to provide general information to participants. Such information may be provided through formal institution such as certifications, rating agencies or transparency rules, or through informal institutions, such as market reputation (Granovetter, 1985, 489, Greif, 1989). However, generalized information is often insufficient, outdated or unreliable. Moreover, it may be insufficient to prevent cheating, as contract compliance depends on the ratio between one’s reputation and realized rewards, oversight and level of competition (Akcinaroglu and Radziszewski, 2013, Petersohn, 2011). Personal networks, in contrast, are a source of much more detailed and personalized information about the exchange partner (Burt, 2001, 30, Granovetter, 1985, 489). In contrast to generalized certification procedures and credentials, actors have built strong ties based on past dealings containing specific knowledge about trustworthiness and skills of the exchange partner. Moreover, the intimacy of the relationship also discourages defection. It takes significant time and resources to build strong ties, which discourages short term profit considerations and rather encourages long term reciprocity (Keohane, 1986). Defective behaviour would also have repercussions beyond the direct relationship, as word of malfeasance would spread quickly through the entire network (Granovetter, 1985, 492, Greif, 1989). Finally, the intimacy of strong ties – at times based on friendship or comradeship – dissuades actors normatively to defect. The pure interchangeable economic relations have been ‘overlaid with social content that carries a strong expectation of trust and abstention from opportunism’ (Granovetter, 1985, 490). In short, the personalized networks contain trust among members which can provide a competitive advantage in market interactions (Jackson, 2007, 238, Lin, 1999, 31).

In sum, a social structure consists in any case of a role structure, and may also include a personal relational structure. The neoclassical market model assumes the role structure to be predominant, which means that trading partners are picked based solely on the price and quality of the product, and competitive advantages can only be gained by outperforming others. The sociological network approach considers personal relationships to be influential on market exchange. Price and quality competition is rendered imperfect, and social relations are an important ‘arbiter of success’ (Burt, 1993, 58, Granovetter, 1985, 490). Privileged access to information about opportunities through the network and trust provide a competitive advantage for members of the network over non-members. However, it is noteworthy, the two structures are not exclusive, but rather co-exist in the same market (Jackson, 2007, 239).

**Methods considerations**

*Data:* Acquiring data on the market for force is notoriously difficult. Companies and clients are keeping most of the information confidential, and individual operators are likewise hesitant to speak out. To obtain access to the individual operators, online fora were used, such as ‘Get Off the X’, ‘Arbeiten in Krisengebieten’ (Working in conflict zones), and ‘Sofrep’. Suitable interviewees were identified by going through the open access fora (some areas are accessible to members only), to determine which users were security operators. In total, 25 private email messages were sent. However, most of my request remained unanswered. In total, two German, and six US and UK contractors responded by email. Questions covered mainly how recruitment was conducted on the market for force.

In addition, representatives of private security firms were approached as well. The interviews took place in the period from 2008 to 2013. In order to establish contact with companies, formal letters were sent out specifying the intent of my research and offering anonymity of the firm’s identities and interviewees. Eight companies, operating internationally in crisis zones, were approached, and four responded positively to my request. The questions covered recruitment, required skills, training, vetting and contracting.

To generate more supplementary data, secondary data sources were used. The main sources in this regard were books authored by US-American and British security contractors, interviews conducted by journalists, websites and web blogs.

*The case:* The argument is that networks play a crucial role in exchange interaction across the entire market for force. However, due to space limitations the investigation has to be more modest in its aims, and will focus itself on the labour market for force for Western security operators. There are several reasons why this case was picked. First, the recruitment patterns provide an empirical puzzle to the frequently employed neoclassical model. At a minimum, the study is meant to provide a testing ground for sociological conceptualization of the market. Second, investigating the labour market for force will add to the understanding of the exchange process on the market for force as a whole. However, the results of the labour market for force are not representative for the entire market for force. Generalising conclusions will be drawn based on cumulative contingent generalization (George and Bennett, 2005, 31). Accordingly a phenomenon is broken down into several categories, researchers analyse each category separately and then generalize about the category (George and Bennett, 2005, 31, 235). However, the results of all categories taken together might shed light on a general pattern across the entire phenomenon. The market for force can be divided in three different areas of exchange: the exchange of security, consultancy and military support services (Singer, 2003, 93), and within each contracting and personnel recruitment takes place, i.e. there are six areas. Several journalistic studies have already revealed networks being influential in winning of contract bits in all of these areas (Center for Public Integrity, 2013, Chatterjee, 2009, Leung, 2003, Wayne, 2002).[[1]](#footnote-1) If networks can be identified as a crucial element influencing exchange on the labour market, taken together with the results about the contracting categories, this would strengthen the case for networks being crucial for the workings of the entire market. However, this article does not attempt to cover the labour market in its entirety, but rather focuses on a specific segment: the military-type security segment. The unique characteristic of this segment is that it specialises in armed tactical support in hostile environments, such as close protection, convoy or perimeter security (Cotton et al., 2010, 13-14). Armed security in this segment goes beyond the usual mall-watchman or gated-community security services. Companies employ military tactics, equip their operators with military weaponry, and rely on military personnel, procedures and training. However, as Iraq and Afghanistan exemplify, the military security segment is not a homogenous labour market. It comprises several sub-segments: A large number of armed security personnel are locals. They are often categorised as less-skilled and low-wage labour (Rimli and Schmeidel, 2007, 22). It is often suggested that locals make up the bulk of the workforce. The limited data available corroborate this claim. In Iraq, for instance, 49% of Department of Defense contractors were locals (Dunigan, 2011, 2). Furthermore, the foreign contractor segment can be divided into Western and non-Western operators. Non-Western operators, such as Chileans or Ugandans, are paid more than locals, but less than the Western operators. This segment appears to be the second largest. In Iraq, for instance, third-country nationals (TNCs) made up 34% of the contractor workforce. Finally, Western operators from North America, Europe, Australia and New Zealand are categorised as highly-skilled and high-wage labour. They appear to make up the smallest group on the labour market (Ibid.). Mainly due to data restrictions, the article deals with the Western operator segment only. However, it stands to reason that the findings are also applicable to the other segments of the security labour market. First, the different types of contracts are mainly differentiated by pay grade which does not change the relevance of networks in a hostile environment. Second, a study on Gurkha security guards has briefly indicated that former professional networks play a role in recruitment for TNCs (see: (Chisholm, 2015, 105).

**Social Structure in the Labour Market for Force**

At first glance, the recruitment pattern on labour market for force seems to meet the expectation of the neoclassical perspective. Some indication for anonymous competition is certainly present. For instance, companies advertise numerous security-related positions on job websites.[[2]](#endnote-1) In order to apply, applicants have to submit their CV to a recruiter or human resource manager. According to the private military firm ‘Booze Allen Hamilton’, approximately 60% of all US companies used online application tools in 2012.[[3]](#endnote-2) This suggests that employers stick to the script of the neoclassical market role. They seek certified and generalized information from their applicants and select based on skill and quality. As a result, potential operators have to make sure that their CVs are in shape and they need to know how to prepare for an interview. Some former contractors have published books of advice on how to become a security contractor and how to put together an application (Yeager, 2008). Online application tools, resume writing and job advertisements are indications of anonymous exchange. In short, both market participants stick to their neoclassical scripts highlighting the quality of their qualification to gain an advantage, not relying on personal relationships. Although active operators do not deny the possibility of securing a private security jobs through the application process, they consider the chances to be very slim (Yeager, 2008).[[4]](#endnote-3). According to one security contractor, ‘[C]ompanies are getting flooded with CV’s [sic] on a daily basis’, and most of them probably end up in the waste bin.[[5]](#endnote-4) The problem is not a lack of quality on the part of the applicant, as even skilled operators with excellent training can have difficulty getting an interview.[[6]](#endnote-5) Likewise, a survey conducted by ‘dangerzone’, a US Internet forum for overseas contractors, showed that in 2011, 53% of 1263 poll participants considered ‘word of mouth and networking’ the most effective method for finding jobs. In contrast, only 35% considered applying to a company’s website and 14% applying through job websites an effective way to find work.[[7]](#endnote-6)

In addition to the these statements casting doubt on the neoclassical model, a closer looks on the pattern of interaction shows that this is at best an incomplete account. If anonymous exchange and skill were the only deciding criterion, qualitatively comparable operators should be evenly distributed across different contracts and positions, independent of other characteristics. First, specific nationalities take up a disproportionate large segment of the market. Indeed, US and UK operators dominate the segment. For instance, out of 4,000-6,000 armed foreign contractors in Afghanistan, the majority were US and UK citizens (Rimli and Schmeidel, 2007, 72). Moreover, those outside these groups, have difficulties establishing themselves on the market. In total, only between 100 and 300 Australian operators (McKenzie, 2006, Skehan, 2007) and not more than 100 German security contractors made their way into Iraq and Afghanistan. It can be objected that this dominance is due to the relatively larger supply of UK and US military personnel. However, in relation to other Western middle powers, only the US Army has a significantly larger body of active duty personnel (552,100). The British Army, in contrast, is more or less of similar size as most of its middle power counterparts.[[8]](#endnote-7) The supply argument may therefore contribute to the overrepresentation of US personnel, it cannot account for the overrepresentation of the UK operators. Second, the neoclassical market also would suggest an even distribution of operators with a similar background. However, instead operators with similar service background often served together on contracts on the market for force. A former member of the US Special Forces (‘Green Berets’), for instance, Iraq ‘was like old home week. I had served with over 50% of the employees when they had been in the military with me’ (Engbrecht, 2011, 36). Likewise, a retired Special Air Services (SAS) warrant officer described the Circuit (the international security labour market) as crowded with plenty of retired SAS personnel (Shepherd, 2008, 9). Third, the neoclassical model suggests that prices go up and down depending on the ratio of demand and supply. However, over the course of the Iraq and Afghanistan War, the demand for highly qualified Western operators sometimes outpaced the US and UK supply. Instead of hiring operators with similar qualifications from other Western countries, clients were instead increasing payments for US and UK personnel (Isenberg, 2009, 59-60).

The network perspective can explain these characteristics of the labour market for force. If occupants of a role are allowed to deviate from the script and bring in their own interpretations and experiences, this opens the possibility for additional ways to disseminate information and criteria to identify potential exchange partners. In this case the decisive factor is a pre-existing network. Reliance on pre-existing networks is particularly advantageous in the military-type protection business as it takes places in hostile environments and is dangerous. In dangerous environments, team members must be able to trust their fellow teammates.[[9]](#endnote-8) One of the biggest fears of security contractors is to get ‘green team members’ who are not up for the job,[[10]](#endnote-9) or to add an unprofessional operator to the team. A contractor explains the severe consequences of unprofessional behaviour. If an operator, for instance, is looking for a body count, he will ‘probably get … [himself] hurt, or fired, or worst, get somebody killed’.[[11]](#endnote-10) On an anonymous market, actors have to rely on general standardized information such as CVs and certificates. However given the danger of the work, more detailed information is preferable. It is simply not enough to know the number of training courses, occupations and rank of a person, as such indicators say little about how someone behaves in a combat situation (Adams and Webb, 2002, 9-10). Personal networks, in contrast, provide much more nuanced and trustworthy information in this regard. According to Burt, trust in networks correlates with the strength of relationship, and it’s strength is a ‘combination of the amount of time, the emotional intensity, … and reciprocal services’ (Burt, 2001, 33, Granovetter, 1973, 1361). Members of military units had the time to build such strong ties through prolonged personal interaction, and were able to observe the others expertise, skill and reliability in dangerous situations first hand (Adams and Webb, 2002, 9-10, Siebold, 2007, 288).[[12]](#footnote-2) They hold detailed information about former unit members and comrades with deep knowledge about their reputation and trustworthiness. As market participants, actors can draw on the pre-existing networks and put to use the information they gained during their common service in a military squat or platoon.

Moreover, taking pre-existing networks into consideration provides an answer for the dominance of US and UK nationals and the clustering of operators with the same service background. First, dominance of certain nationalities on the market for force can be explained through the recruitment through strong ties of pre-existing networks. Military forces are nowadays organized along national lines, which by default yield networks of a specific nationality. As a consequence, when job opportunities arise, actors disseminate information through their network to their former military comrades, whom they know and trust and which happen to be of the same nationality - in this case US or UK operators. The pre-existing military networks simply do not contain non-US and non-UK operators. This puts those operators at a disadvantage since they do not have contacts that ‘can make something happen’, i.e. they are not provided with the relevant information and access.[[13]](#endnote-11) One US contractor, for instance, explained the problem of those not getting an interview is that ‘they do not know anyone’.[[14]](#endnote-12) This is supported by experiences of those outside the relevant networks. According to a German operator, it is precisely the lack of access to the relevant networks that made it so difficult to obtain a job. According to a German operator, it is precisely the lack of access to the relevant networks that made it so difficult to obtain a job.[[15]](#endnote-13) Another German operator explains that it was difficult in the beginning, as Germans were simply not let in because they did not know anyone; but adds that nowadays it is difficult because they are lacking experience.[[16]](#endnote-14)

The same explanation holds true for the clustering of operators who had served in similar units. Members of the armed forces form strong ties with the members of the respective units they serve. If they know about a position to fill they disseminate the information through their network, knowing that it contains trustworthy and skilled operators. This is particularly true for the early days of the Private Military and Security (PMSC) business, companies relied on the dense pre-existing military networks to identify suitable operators. The pattern can be observed in different companies across different countries. One of the earliest firms in the military and security business, founded in 1990, was the now-defunct South African firm ‘Executive Outcomes’. The company almost exclusively relied on the military network of its founder Lt. Col. (ret.) Ebeen Barlow. Many of the operatives were recruited from a dissolved South African elite military unit, the 32 ‘Buffalo’ Battalion (Rubin, 1997, 47) in which he served himself. Another example is the former US firm ‘Blackwater’ (now ‘Academi’). Erik Prince, its former CEO, first approached his former Navy Seal comrades. The founding members, Ken Viera, Al Clark and Gary Jackson, had all been Navy Seals (Prince, 2013, 32-34, Simons, 2009, 45-47). Similar patterns emerged when business picked up pace in 2001 and new personnel had to be found to fill contracts. Gary Jackson explained that initially this might mean simply calling up eighteen ‘buddies’ (Simons, 2009, 61).

However, the strong tie explanation has difficulties in accounting for the few non UK and US operators, who serve in the high quality segment of the market. This is partially due to expansion of the personnel demands, which simply outpace the capacity of strong ties in a personal network. Personnel from outside the immediate units and at times of different nationality were approached, e.g. companies formerly recruiting from one specific unit branched out to other units, e.g. the Parachute Regiment, the Royal Marines, and the regular infantry (Donald, 2006, 17). However, network played a role here as well. There is not one single, but multiple networks on the market and they are not necessarily isolated from each other. Some members of a network might have connections with members of other networks, in other words, they bridge the gap between different groups (Granovetter, 1973, 1364). Such individuals can facilitate information flow between different groups and are able to extend ties beyond the small circle of network members. For instance, a former operator explained that he met an acquaintance in a bar who provided access to Executive Outcomes by getting him an interview (Murphy, 2011). In other words, the acquaintance served as a bridge into another network which allowed for the information about the job opportunity to flow. Likewise, an operator discussed in a blog post on ‘Get Off the X’, an online forum where security operators exchange experiences, how he got a job. He networked extensively and eventually, a well- connected operator helped him to establish new contacts, i.e. serving as a bridge into another network providing important information about job opportunities. Later the same process worked in reverse. When the same contractor was in the position to fill some jobs, it dawned on him that the others network members had supported him ‘because they knew … that some day [he] would be on a contract and remember where …[he] came from and who had helped …[him] get there.’[[17]](#endnote-15)

However, according to Granovetter, strong ties are rarely bridges (Granovetter, 1973). In other words, bridges are usually weak ties, which serve well as avenues for information dissemination, yet do not come with the same in-depth knowledge and trust of the exchange partner. Lacking the strong ties quality, a different mechanism needs to compensate for the lack of direct experience and trust. ‘Referrals’ are a means to convey the trust and experience gathered by one party to a third party. In short, the next best thing to directly obtained experience is information obtained from a trusted source. This solves the problem of actors not having a personal history with each other, and takes advantage of their personal networks have overlapping. A trusted network connections may be able to testify to the soundness of an unknown applicant and ensures that they ‘are good-to-go’ and the applicant is ‘a solid operator’ (Yeager, 2008). Referrals provide members of networks with crucial trustworthy information that generate an advantage over other competitors. Operators in the business underscore the importance of referrals. One US contractor explains that a person is only able to get ‘gig’s [sic]’ and stay in the business if his networks speaks well of him.[[18]](#endnote-16) A security contractor explains that he had participated in a training course and left a good impression. When he applied for a position, the recruiter knew one of the other course participants, who provided a referral. The contractor was eventually hired.[[19]](#endnote-17) Another US contractor commented that knowing somebody who is already in the business and will stick his neck out for a new operator will get an applicant through a lot quicker.[[20]](#endnote-18) Finally, another US operator elaborates that companies want to fill positions with personnel someone vouched for. If a team leader or a ‘heavy hitter’ is putting his reputation on the line for a person, that individual is most likely a professional operator.[[21]](#endnote-19) As a result, recruiters prefer personnel with an endorsement by the network over the anonymous application process.[[22]](#endnote-20)

In sum, the network approach provides a strong explanation for the characteristics of the recruitment pattern on the market for force. Actors recruit through strong ties as they provide high quality information and trust, which is required for the dangerous security work. Taking the pre-existing networks into account can explain the specific clustering and the nationality dominance on the labour market. The neoclassical model relying on generalized information about a candidate, price and quality competition would suggest a different interaction pattern which is not prevalent on the labour market for force for Western security operators. Finally, the network approach provides an answer for the recruitment of non-US/ UK operators and operators with different service backgrounds, through weak tie bridges. However, the rationale of actors to rely on networks is not compromised as they are still able to obtain ‘high quality information trust’ argument through referrals.

**Conclusion**

The investigation showed that the widespread conceptualisation of the market for force according to the ‘neoclassical model’ needs to be amended. This article has provided a sociological conceptualization of the market for force able to capture anonymous exchange and network interaction. The conceptualization was then applied to explain the specific recruitment pattern on the labour market for Western security operator, which posed a problem for the neoclassical model. The clustering of operators and dominance of certain nationalities were due to recruitment based on pre-existing networks. Anonymous exchange played a rather subordinated role in this segment and exchange through pre-existing networks was of greater significance. However, caution is required in extending the results of *how* the market for force works beyond the segment. First, extending the results to other labour markets may be premature. Although other areas of the labour market remain under-researched, e.g. the market for support and maintenance personnel, there is indication that networks are less important than anonymous exchange. The existence of online communities for technical professions and online tools for resume writing, ‘military skill converter’ and interview preparation, suggests a more prominent role for anonymous competition.[[23]](#endnote-21) Moreover, it stands to reason that the trust-element of the network does not apply to the same extent to this segment due to the lesser risk exposure. Second, like on the security labour market, networks play a crucial role in contracting of services as newspaper investigations have demonstrated. However, the main mechanism through which they exert influence seems to be information dissemination rather than the trust-mechanism (Leung, 2003, Wayne, 2005). However, some general conclusions can be drawn about the market for force. Networks are present in all segments of contracting (maintenance, consultancy and security), and in, at least, one segment of the labour market (security). It can therefore be concluded that networks are a crucial organizational element in market interaction in *most* segments of the market for force.[[24]](#footnote-3) However, networks are not the only mode of interaction, but coexist with anonymous exchange. The balance between the two modes, or the balance between the different mechanisms through which networks exert influence, is not fixed, yet varies from segment to segment. This finding has implications for the academic debates on the market for force.

First, the market for force is repeatedly hailed as a mechanism for cost-efficiency. Representatives of the industry have repeatedly lauded the cost-efficiency of market contracting. Chris Taylor, then-vice president of Blackwater, explained that PMSCs provide the government with specialised and cost-effective services (Committee on Government Reform, 2006, 86). Jacques Gansler explicitly links cost-effectiveness to the competition in the market (Gansler, 2003). Some pundits went even further and claimed that the competitiveness of the market provided the client, the US armed forces, with a competitive advantage over other militaries (Carafano, 2008, 12). It may be true that competition generates these effects, yet this requires the client to adhere to the role script and base market decisions solely on the price and quality of the product. If the supplier has alternatives to obtain a contract and to recruit personnel, the incentive to lower prices and increase quality to outperform opponents is absent. Networks provide an alternative to anonymous market competition, and therefore cast doubt on the general claim of the cost-efficiency of the market.

Second, the use of force by private security operators has raised many concerns about their accountability (Fainaru, 2008, 169). In this regard, market reputation has often been considered as one potential accountability mechanism (Drutschmann, 2007). If a company hires operators committing violent offenses or transgressing the law, this would affect its market reputation negatively. The company should therefore have an incentive then to replace overly aggressive operators to protect its market reputation. However, if individual operators and company officials share a common network and are bound by loyalties, this might undermine the effectiveness of accountability. Even more so, if company officials and customers are related by a network, the company’s market reputation decreases in importance. Companies and individual employees may be able to maintain business relationships despite a bad reputation, based on their contacts. Even if a rough operator is held accountable and dismissed, the network structure might allow him to stay in business and find new employment.

Overall, the market for force is more complex than acknowledged in large parts of the literature on security contractors. Most of the deliberations on emergence, consequences and regulation so far have implicitly assumed a neoclassical model. The co-existence of anonymous and personal relational exchange requires us to revisit these questions again.

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1. These journalistic studies do not conceptualize how networks work on the market, yet they are helpful in identifying their presence. A Boston Globe analysis revealed, over in the period ‘from 2004 to 2008, 80 percent of retiring three- and four-star officers went to work as consultants or defense executives’ – which includes large consultancy, logistics and maintenance firms (Bender, 2010). According to a Government Accountability Office study, out of 52 companies (including procurement and military service industry), the seven firms who hired the largest number of former DoD personnel (1,581 out of 2,435) received 43% of the total DoD contracts in 2005 (Government Accountability Office, 2008, 10). [↑](#footnote-ref-1)
2. See for example <http://security-contracting-jobs-afghanistan.com> . [↑](#endnote-ref-1)
3. <http://www.dangerzonejobs.com/artman/publish/article_1253.shtml> (June 2013). [↑](#endnote-ref-2)
4. ‘So you want to be a security contractor?’ Drifter Blog, (12 June 2013), http://www.youtube.com/watch?v=Ma7M9S9OClk. [↑](#endnote-ref-3)
5. E-Mail exchange with a US security contractor, March 2013. [↑](#endnote-ref-4)
6. E-Mail exchange with a US security contractor, February 2008. [↑](#endnote-ref-5)
7. http://blog.dangerzonejobs.com/overseas-contracting-outlook/2011-state-of-overseas-contracting-survey-results/ (7 May 2013). [↑](#endnote-ref-6)
8. Size of UK army: 99,800; German army: 62,000; French army: 119,000; Italian army: 103,000; Swiss army: 106,900; Turkish army: 402,000; Australian army: 56,200. All data are taken from: IISS (2014) The Military Balance, 114:1. [↑](#endnote-ref-7)
9. E-Mail exchange with a U.S. security contractor, June 2012. [↑](#endnote-ref-8)
10. E-Mail exchange with a U.S. security contractor, June 2012. [↑](#endnote-ref-9)
11. ‘So you want to be a security contractor?’ Drifter Blog, June 12, 2013, http://www.youtube.com/watch?v=Ma7M9S9OClk. [↑](#endnote-ref-10)
12. It is not impossible to build close networks on the market. James Yeager explains that if bonds were not built through shared military service, training ‘builds a bond and let’s [sic] them see how you perform’ (Yeager, 2008). Once on deployment, market-based networks can be strengthened and extended. James Yeager suggested the downtime on deployments should be used to get to know the teammates. As the operators’ lives depend on them, ‘[i]t doesn’t hurt to get to know them’ (Yeager, 2008). [↑](#footnote-ref-2)
13. E-Mail exchange with a US security contractor, March 2013. [↑](#endnote-ref-11)
14. E-Mail exchange with a US security contractor, June 2008. [↑](#endnote-ref-12)
15. E-mail exchange with a German operator, March 2011. [↑](#endnote-ref-13)
16. E-mail exchange with a German operator, December 2012. [↑](#endnote-ref-14)
17. http://getoffthex.com/groupee/?s=817104881&cdra=Y, 28 January 2008 (26 March 2013). [↑](#endnote-ref-15)
18. E-Mail exchange with a US security contractor, August 2012. [↑](#endnote-ref-16)
19. E-Mail exchange with a US security contractor, August 2010. [↑](#endnote-ref-17)
20. E-Mail exchange with a US security contractor, February 2008. [↑](#endnote-ref-18)
21. E-Mail exchange with a US security contractor, August 2012. [↑](#endnote-ref-19)
22. E-Mail exchange with a US security contractor, August 2012. [↑](#endnote-ref-20)
23. http://www.dangerzonejobs.com/artman/publish/article\_854.shtml (June 2013). [↑](#endnote-ref-21)
24. Assuming three service areas: security, consultancy and maintenance, and on each contracting and personnel recruitment takes place, i.e. there are six areas. Current research shows the importance of networks in all contracting segments and this article demonstrates the importance in one segment of the labor market for force. [↑](#footnote-ref-3)