The Secret Soldiers
The Modern Corporate Mercenary

Rodgers, John-Paul M.
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No story more clearly illustrates dichotomous long-run results between work and inaction better than Aesop created in “The Grasshopper and the Ant”. The grasshopper plays his violin all summer and has nothing stored away when the chill of autumn bodes his death. A children’s story, admittedly, but it illustrates the modern American approach to government. We are obliviously happy about our direction, happy in the bounty of summer, but do not critically look forward to the inevitable chill of autumn. The truth is that there is always an ugly caveat of unsustainability lurking behind each summery season of unbridled freedom. One of the main areas of societal blindness is that of government programs. Not all of their actions are unnecessary, but the complete lack of conservation will have consequences in the long term. One of these areas where government authority runs completely unchallenged is that of military force. To that point, this paper will explore the main lines of argument for private military enterprise, as well as legitimate criticisms to that viewpoint, to the point of arriving at a minarchist state solution. There are private military companies in the world today, but they look inimitably different then they would in a free market system. A double standard of morality has caused people to associate horrific violence to military defense, and in the modern society we have lost track of what truly free market provision of defense would look like and ostensibly “private” provision of defense in the market today is tainted by government action.

Since the end of the Cold War, excess arms and munitions built up for that militaristic standoff are up for sale. The result is a burgeoning private military industry which can be tailored to the needs of whatever country, state, or cause that has money to pay. While instinct causes many to recoil in revulsion at the word “mercenary”, the truth
is that they exist, and have existed for much longer than the statist standing army. However, anyone arguing for mercenary soldiers has to admit that in the past, mercenaries have been just that, willing to sell their services to the highest bidder. Often, if they can get away with it, mercenaries have a long inglorious history of taking from both sides of a conflict. So what is different about the modern “mercenary” and his earlier counterparts? The truth is that human nature is the same. Profit rules the day. The difference is that modern day mercenaries are operating in the information age, an age of corporate contract.

Peter Warren Singer is a Senior fellow for the Brookings Institution, and he provided the basis point for this paper, in terms of the difference between modern Private Military Firms (PMFs) and the more archaic form of mercenary. In his paper “Corporate Warriors: The Rise of the Privatized military Industry and Its Ramifications for International Security”, he writes “The critical analytical factor is their modern corporate business form. PMFs are hierarchically organized into incorporated and registered businesses that trade and compete openly on the international market, link to outside financial holdings, recruit more proficiently than their predecessors, and provide a wider range of military services to a greater variety and number of clients.”

However, the modern incarnation of warfare provides additional differences between the modern climate and that of bygone days. Warfare has changed. Instead of centering around brutal clashes of men using brute force and numerical superiority, the modern war is based around technology and the ability to outthink your opponents. It is truly an age of intellectual war. While infantry still plays a role, battle does not take place at the speed of a forced march. Battle is much more about tactical, swift placements of
small amounts of men and material, as has been demonstrated repeatedly in the 20th century. The scouts, as opposed to the speed of a swift horse, are unmanned aerial drones with satellite video communications links. Along with this type of warfare has come an increased amount of necessary technical expertise, and with that need for technology has come a need for non-military personnel.

These private militiamen have become the backbone of many modern war strategies, including the United States battle plan. In the Afghanistan and Iraq Wars, the PMF personnel now outnumber US military personnel (as of June 2010 forward to the date of this essay) as cited from an official Congressional report of May 13, 2011 date. (Schwartz, 2011) These personnel vary from convoy protection to tactical specialists to supply corps. Their purpose is varied, but their function is can be broadly encapsulated by the fact that they can do things that the military cannot efficiently do for themselves. The specific tasks and knowledge that are necessitated to do many of the technological functions of the military are functions that have not existed for long in the realm of battle. The military is evolving, and ground personnel of the wars of yesteryear are being drawn into other functions surrounding the battlefield.

The Corporate soldier is on the battlefield, and while they are not acting independently, they still are playing a significant and increasing role. The question that remains is where does the pattern end? Will the corporate soldier displace the military of the state? To examine the arguments in favor of government sponsored military and their validity one must first understand the basic premise behind it, and that premise is that only the state can properly act in the interest of the collective. Keynes argues that only the government can have the interests of the entire protectorate equally in hand, and
therefore there are large positive externalities associated with governmental military expenditures. The argument for the state is that the cost of defense can only be provided for properly when all monies are collected from all taxpayers and fairly distributed for the protection of the entire country.

The state takeover of the military, however, is a recent phenomenon. Only in the last several hundred years did the government take over the supply of military force. Since that time, the generations have gradually erased the memory of mercenary force, and the term has become one of revulsion. However, after a century where more blood was shed than any other, and more blood was shed by dictators than wars, one begins to see the merits of force for hire and the menace of state-monopoly on force.

However, last two decades since the end of the Cold War has yielded two interesting outcomes. In the age of a sole superpower, the United States conception of democracy and freedom has taken hold of the imagination of the world. With ideas flowing through previously unknown technological channels, from the student rebellion at Tiananmen Square to the creation of Northern Sudan, the democratic ideal has taken the world by storm. The irony is that the United States was created a Republic of the people, and not a Democracy. Jefferson once postulated that the government should be completely turned out every term, unless the bureaucracy become entrenched. Ironic, that in the half century in which the American ideal has most influenced the world be that of unsustainable social programs that run most counter to our founding fathers. The second yield is genesis of thousands of heavily armed mercenaries. As Peter Singer documents, “With the rise of the privatized military industry, actors in the global system can access
capabilities that extend across the entire military spectrum—from a team of commandos to a wing of fighter jets—simply by becoming a business client.” (Singer, 2001)

Still, the private defense industry looks terribly different than what it looked like four centuries ago. In those days, purely mercenary forces fought for tactical advantage and ended honorably when one side or the other gained clear advantage. It was a relatively bloodless form of war. The concept of “fight till the last man” held no benefit for the winners and neither of the sides wanted to kill in cold blood. However, this is not to say that mercenaries are any better than any other man, and in reality, they need to be governed against infringing on others’ rights just like any other man. In the free market, information is not restricted from getting out to the people who want it, and therefore the bad actions of one man reflect badly on the entire corporation. In actuality, companies often use their power and influence to avoid detection of wrongdoing and thereby maintain their clean corporate record. The moral hazard of corporate irresponsibility is compounded when the legal system that should be providing accountability and meting ou consequences has stake in covering it up as well.

The consequences of the government turning a blind eye to corporate action are compounding, because the action both is promoting of corporate illegality and government irresponsibility. Unfortunately, this corruptive force is not only overseas. There are several well documented occurrences of corruption by PMF’s in the employ of the U.S. military forces. In a different article, entitled “Outsourcing Bad”, Singer brings to light many of the most questionable occurrences, mainly centered around the Iraq war. The PMF’s have a viable role in warfare. They do what the soldiers do not want, or more possibly cannot do for themselves. However, as Singer points out, “they have also been
involved in some of the most controversial aspects of the war, including alleged corporate profiteering and abuse of Iraqi prisoners.” In this article, he shows, among other questionable scenarios, that as of this article in late 2005, “not one private military contractor has been prosecuted or punished for a crime in Iraq (unlike the dozens of U.S. soldiers who have), despite the fact that more than 20,000 contractors have now spent almost two years there. Either every one of them happens to be a model citizen, or there are serious shortcomings in the legal system that governs them.” (Singer, 2005 p.127)

The truth behind the shortfalls of this legal system is not the law. The problem is that the law is not being enforced equally between the military personnel and the PMF’s, and the government has incentive to keep the private companies out of the news. For countries in which war is unpopular, governments can pay corporations to do the same thing as military personnel without revealing the costs and the true death toll to the public. Other countries use them for more ignoble purposes. Sandline International was implicated in violating a UN Arms embargo by trading arms to Sierra Leone. (Mathieu and Dearden, 2007) Corporations unchecked have nothing stopping them from whichever trades they find most financially beneficial, especially in their current forms outside of public view. In economics, it is easy to theorize about perfect competition, which involves perfect information, but the cold hard reality is that subterfuge is rewarded when a public doesn’t value the truth.

The devaluation of truth is evidenced in more than just war, it is evidenced in the blind public acceptance of a gigantic national debt and willing participation in a system that promises liabilities to which that fifteen-trillion dollar debt pales in comparison. The devaluation of truth is also evidenced by our legislators, as pointed out by a legislators
answer to why the Government had signed a contract for a corporation to interfere on behalf of the Sudanese Liberation movement:

“The answer is simple. We are not allowed to fund a political party or agenda under U.S. law, so by using private contractors, we can get around those provisions. Think of it as somewhere between a covert program run by the CIA and an overt program run by the United States Agency for International development. It is a way to avoid oversight by Congress.” (Mathieu and Dearden)

In a perfect world, the government would act responsibly and corporations would act responsibly. In a perfect world scenario for economists, the government would act to protect private property and follow its own rules, and corporations would report honestly. Of course, in a perfect world the mercenary would honor his contracts and never operate under false pretenses. However, this isn’t Kansas anymore and reality looks much more Orwellian than most are willing to admit. Dictators have killed millions and Presidents have created trillions in debt: multiples of total GDP that boggle the mind. And it is therefore under these bleak circumstances that we must look at the influence of the corporate soldier, not with rose tinted glasses that go so well with bedtime stories.

Now that government perfection is out of the picture, the question is then whether the government or the private market can provide more efficacy and efficiency. It is fair to say that in the little things private market efficiency can be clearly more effective, because they have the ability to make efficient decisions by demonstrated preferences and the fact that the government has no way of making efficient decisions because they have no competition and no customers demonstrating preference. The first question to tackle is that only the government can act in an appropriate way to defend the entire country. It is easy to see why this argument is the prominent one for government
provision of defense. The government is the only entity that can ostensibly say that they have the interest of the entire country in mind when they act to protect it.

There are two primary aspects of the governmental argument. First, that of the full-scale, whether all out defense against invasion or a full-scale assault if necessitated. These situations seem to demand centralized and unified command of a large force. The second argument is that of cost, because very few individuals have the resources and the preference rank of individual safety necessary to fund an entire jet, or aircraft carrier. It is, however, in the interest of the government to fund jets, and carriers to move those jets in order to accomplish their larger military goals, besides the general preoccupation of superpower governments to continue to assert military superiority to dissuade potential attackers.

Both of these above arguments are dealt with in the piece “Private Solutions to Positive Externalities: Military Expenditures, Insurance, and Call Options” by Robert P. Murphy, as he proposes a free market approach to defense. His argument centers around how insurance and call options provide a way to reduce the supposedly insurmountable transaction costs associated with the private provision of defense. For this thought experiment, he creates a quite useful hypothetical case study. “Imagine a completely “free” society consisting of 100,000 households, with each plot of property worth $100,000. Further suppose that there is a neighboring State that wishes to conquer the region. The neighboring State is preparing to send bombers (let us suppose 200 for concreteness), each of which (if unchecked) will destroy an average of 100 households.” (p.2)
In this example, he continues laying out his scenario by saying that only by putting up a Surface-to-Air missile site worth $1 million can the small society guarantee a kill of one of these jets. Therefore very few individual homeowners would have the money and none would have the inclination to erect a SAM site for protection of their $100,000 property, especially with an 80% chance of not having their property destroyed in the first place. With the scenario set, he proposes two actors who could potentially erect SAM sites, those being large insurance companies and real estate tycoons with access to call options. If the entire community were insured, the insurance companies would find themselves given the option of $2 billion in claims or $200 million in defense. The tycoon, on the other hand, could buy cheap derivatives in a healthy free market to purchase the house for a price of say, $90,000. Pessimistic homeowners would gladly take that offer. If the destruction is avoided, the tycoon would net $10,000 minus his option cost for each household. That means that even 100 options at $500 would net $9.5 million in profit, which clearly shows how it is in the tycoon’s interest to purchase SAM sites to make sure that his investment comes to fruition. The point is that the free market would act to defend itself, especially in light of the fact that individuals will be willing to pay a higher premium to protect their lives and freedoms as well as their properties.

However, there are two arguments against the presupposition of government superiority in provision of defense even before its examination as an argument for solely governmental provision of military forces. The myth of government moral superiority can be dismissed by the realization that they as well are human, and legislators are not free of the tendency to act in their own interests. Bastiat put it well in the Law when he said that “legislators, like all men, are naturally selfish.” The long hoped for Socratic philosopher
king once again fails to make his long awaited appearance. The second argument against positive externalities is raised by Murphy in his case study and subsequently elevated by the realization that many of the current systems do not perform much better than a mercenary system in the status quo. A 2009 NY Times article comments on how the military has fared better in 2008 recruiting numbers due to the abatement of deadly violence in Iraq and Afghanistan combined with the new incentives available to recruits.

“Another lure is the new G. I. Bill, which will significantly expand education benefits. Beginning this August, service members who spend at least three years on active duty can attend any public college at government expense or apply the payment toward tuition at a private university. No data exist yet, but there has traditionally been a strong link between increased education benefits and new enlistments.” (Alvarez, 2009)

The truth is that in a volunteer military, the soldiers are making a choice between alternatives just like any other worker. And to be fair, the pay in a dangerous, potentially lethal situation will always be higher than a desk job. However, in the status quo there is no competition to create a truly representative supply and demand for labor in this market. In a competitive environment, the market could find a proper equilibrium, but a legally enforced monopoly ensures that the prices are arbitrary. Obviously, when a man takes into account his job options, he has to take into account the fact that the government it is offering him a four years college tuition for three years in the field. While the pay grade of Army private is by no means luxurious, the addition of almost $30000 in tuition per year of service is a huge incentive for young men and women who wish to go to college after their time in the military. The main point is not to question the spirit of the American military because there are some who are willing to fight solely for freedom. The fact should not be overlooked that those who enter the military for education benefits
or higher wages or enlistment bonuses are bowing to profit motive, as would any enterprising individual, or any private military enterprise.

Without competition there cannot be any inherently efficient decisions, and this alone is enough to challenge the size of the military bureaucracy, if not the entire institution. Enough has already occurred to prove that the government is morally suspect, just as much if not more than any other actor. The key to reducing moral corruption in any scenario is freedom of information. The key is responsibility and accountability, whether it be corporate or governmental. As Peter Singer so aptly summarizes, “the stakes in warfare are far higher than in the corporate realm: in this most essential public sphere, national security and people's lives are constantly put at risk. War, as the old proverb has it, is certainly far too important to be left to the generals. The same holds true for the CEO’s.” (Singer, 2005 p.132)

Now to examine the last strong government argument, which is the argument that “men fighting for their country are always superior to mercenaries.” This sentiment was summarily stated by an American president George Washington said, “Our own Country's Honor, all call upon us for a vigorous and manly exertion, and if we now shamefully fail, we shall become infamous to the whole world…Let us therefore animate and encourage each other, and show the whole world, that a free man contending for Liberty on his own ground is superior to any slavish mercenary on earth.” And it does ring true, if not entirely solid due to the incentivization that has to take place for the military to meet their recruitment quotas. As seen in Vietnam and even Afghanistan, the nationalistic insurgent force is impossible to eradicate. One cannot morally justify killing innocent civilians, but when the insurgents blend into the population it is impossible to
tell the difference. A man fighting for his land and his beliefs is willing to fight to the end, something a mercenary does not desire to do. There is no way for the anarcho-capitalist to say that their military would have a stronger will to fight than the patriot fighting for his homeland. The mercenary may be better armed, better supported, better in every quantifiable manner, but if they are fighting against an opponent willing to fight to the death, the outcome may be surprising.

It is hard to picture a reduced state in this age of a hegemony backed up by money and power. The mindset of this age in which we have nuclear submarines constantly patrolling at unrevealed locations is encapsulated by the Teddy Roosevelt mantra, “Speak softly and carry a big stick; you will go far.” And yet nuclear warheads to create nuclear winter a hundred times over seems rather excessive, but the numerical race induced absurdity. Even now, tactical nuclear weapons could individually affect deaths upon millions upon millions of people over thousands of square miles. While governments spend billions on keeping on the cutting edge of the military technological curve, they seem to ignore the fact that they don’t have large percentage of the money that they are spending. The result is budget overruns and unsustainable spending habits.

The corporate battalion is available when needed but not paid when they are not wanted. In a situation where governments don’t provide standing militaries, the government would be free to cut military spending in peacetime. The end result would be a standing defense paid for by insurance and individuals. These defenses would be a ward against invasion, as shown in the anti-bomber invasion case study. It is possible to see how corporations would codify bylaws governing criminal activity or activities that involved individuals or territory in two adjoining territories. The corporation would act in
the way that cost them the least money realizing that inaction in the case of laxity would lose customers to competitors, but overzealous action would cost time and money.

One argument still remains for the failure of corporate governance, and that is the question of a rogue agency. In the case of forcible military takeover of a sector of the country, one could see the reasoning for other companies to go in and dislodge them, because their action would win more customers. Also, another logical flaw would be that in the long run, military dominance is not economically efficient. The profit to be reaped from dominating a population is generally not as much as there is to serving it, at least in the long-run case. Therefore, that would reduce if not eliminate the possibility of a significantly sized rogue group, because there would be no rational reason for actions of this sort.

Now to the classic, and toughest argument for government supported military, that of the capacity for large expenditures. With the release of the Gerald R. Ford class of carriers, the expenditures are climbing. In this article, the cost is estimated at $14 billion for the first carrier and $5 billion for every subsequent carrier. (Schactman, 2009) It is hard to see how private enterprise could absorb large costs such as this. Even if each military insurance provider feels it necessary to provide a single aircraft carrier, the issue remains of centralization and coordination. The strong central government and the military bureaucracy control the current disposition of the U.S. fleet. In a completely anarchical society, it is hard to see how the corporate world could work together to the purpose of coherent military presence.
Military action evokes images of nationalistic fervor, the Marines erecting the flag on Iwo Jima, and the brave winning honor and glory on the battlefield. The age of the mercenary would evoke very little patriotism. The landscape of warfare would be irreparably changed. It would be hard to see how the corporate world could respond coherently and fast to any major threat. Although in small situations, it is easy to see how the corporate action would act faster internally, but coherence would seem problematic.

Coherence is the problem that most faces a private system. The coherency problems are based around the fact that centralized command is necessary to control military forces and create stable control centers and unified battle plans. However, in a system in which the government did not play the central role, there would be less conflicts and those that were would be justified in the mind of the huge majority of the population in order for the country to act. The action would have to have a unified sentiment behind it in order to motivate unilateral action on the part of the companies. So why did the mercenary fall out of favor, and do those paths of reasoning still apply in the modern day? The truth is in the fact that the mercenary is the same as they ever were. The mercenary serves the same purpose.

Now that we have established the mercenary soldier as purposefully similar to the militiaman, the question is whether they have the same effects as the other option. The mercenary soldier is subject to the same set of preferences as any other individual and are set according to the same nature as any other man. In the concept of the state being thrown out as the provider of defense, this man is free to sign up to participate contractually in war, a war that would naturally be less bloody than wars of zealous patriotism.
The true change in warfare can be realized in analysis of motivations. In praxeological analysis, the true motivations of warfare become clear. War is often for ideological reasons, and not for “practical” ones. This analysis makes clear why certain countries often keep fighting guerilla war after all hope is gone in terms of winning an outright war. To analyze the history of insurgent warfare, one must look at the goals differently. Instead of a slash and burn methodology, guerilla warfare is based around inflicting the most damage on a stronger opponent with the least amount of loss. Because the stratagem is to avoid pitched conflict, the attacks are unpredictable and the attackers are elusive.

This can cause extreme imbalances of force necessary for the powerful nation to subdue an insurgency.

“We start from the truism that defense has the advantage. Already in 1861, McWhiney notes, “the rifle gave defenders at least a three-to-one advantage.” And once people are driven to guerilla tactics, defeating them raises the ratio of attackers to defenders to somewhere between 4-to-1 and 6-to-1, or higher. Successful “pacification” and occupation may require a 10-to-1 superiority. This shifts costs—in all senses—massively to the attackers. This is why Britain drew so much manpower from Canada, New Zealand, and Australia to defeat a few “Dutch” farmers.” (Stromberg, 2003)

There are reasons for the success of guerilla war. As Stromberg points out, “another advantage of genuine defense: the possibility of “pin-pointing” one’s enemies, about which Murray Rothbard wrote. Guerrillas are able, potentially, to distinguish friend from foe and even friend from neutral. They need not wallow in the moral swamp of Total War, which finds carpet-bombing of civilians morally acceptable.” (p.236)

The reasons behind the success of insurgent warfare is the goal of efficiency over the need for hegemonic domination. For the defensive stratagem, the benefits of insurgent
warfare are clear. This idea fits into the analysis of this paper by the fact that defensive war is much less costly in every sense. So what would the mindset change do to a country that is currently saturated in state-provided military ideology? It would change the situations in which we felt in necessary to declare war, and change the framework of war. A military system based off of a mercenary force would be seeking efficiency as its primary goal. Too little force loses the battle, but too much wastes money, time and deals harm to corporate reputation.

The modern PMF’s are cloaked in shadow and secrecy because their providers are governments and secrecy is important to them. In an open competitive society, the onus would shift to idealize corporate transparency, even in the military arena. Military provision would be like any other industry, where efficiency is rewarded, and cheating is swiftly and harshly punished with corporate failure. Corporate failure has both stigma both in terms of press and in terms of long-term negative feedback should an event become a pattern.

The great ideological shift between government provision and corporate provision has been subtle and slow. Martin van Crevald examines the ideological shift towards state domination of those aspects which were formerly controlled by individuals.

To be sure, neither nationalistic rhetoric nor symbols on their own could have strengthened the grip of the state on the people to the extent that it was. To build its dominance the state had to resort, and did resort, to every available means. This includes… the imposition of taxes which took away a greater and greater share of the people’s wealth and concentrated it in the state’s hand; the establishment of a monopoly over the manufacture of money; as well as the regulation of banking; and the creation of state-run education and welfare systems. Last not least, it involved the construction and maintenance of a police force and of armed services. The former were used both to underpin all the rest; the latter, to fight others of their own kind. (Crevald 2000)
The difference between the mid-19th century and now is the fact that the bureaucracy is entrenched. The ideological paradigm shift causes the people to embrace the idea that government is the ideal provider of military services, a veritable bastion in the midst of the generic storm of uncertainty, as it were. The issue with government monopoly is the same as any other type of monopoly, without challenge it becomes bloated. The military becomes bloated and the natural market correction is not allowed to happen. The normal process is held up by the fact that it is illegal for the market to introduce competition and proceed as it would naturally. The result is that government keeps a stranglehold on the industry, free to introduce whatever new legislation that feels correct to them. Meanwhile, individuals are not free to express preference, because the military is a purely governmental institution and protected legislatively.

The final analysis comes down to the fact whether ideology can be significantly improved. Some economists would say that:

“The practical superiority of markets over governments has become readily apparent…Free-market economists and libertarians … affirm the market’s superiority in nearly all realms. Yet only a handful of anarcho-capitalists, most notably Murray Rothbard, have dared claim that a free market could also do a better job at providing protection from foreign States.” (Hummel, 2003)

Hummel then proceeds to attempt to trace the roots of military warfare back through the ages to pinpoint why the state arose as a provider of military. The conclusion he comes to is that the state was typically associated with relatively large population centers which had an interest in large amounts of permanent land due to the need to keep their livestock permanently well fed and supplied for. The real testament to state power in these times before the well-established state is not in its efficacy as military provider except for the fact that under a government people united for a common goal, and cooperation ruled the day.
Jared Diamond analyzes the success of the state in his book, *Guns, Germs, and Steel*. He argues that states thrive off uniting religion and patriotism the state has succeeded in associating itself with much larger themes that are good motivators. Diamond states that associating ideology with state provision “gives people a motive, other than genetic self interest, for sacrificing their lives on behalf of others. At the cost of a few society members who die in battle as soldiers, the whole society becomes much more effective at conquering other societies or resisting attack.” (Diamond, 1999)

This state-centered military ideology is highly engrained in the modern mindset. The glories of warfare end up not being associated with the men but attributed to the state which they serve. This leads to an increase of soft power as the state uses victories to further “prove” its superiority to its populace, even though no competition is viably allowed to thrive on the market.

The ideological argument has both a highly positive conclusion in the freedom of an ideological and stateless society. “In short, a future Stateless society has the best prospects of working ideological dynamics, both internally and externally, to its benefit. To switch to Dawkinsque terms, anarchy is a meme which, if it were to take hold in one location, has indeed the potential to spread like wildfire.” (Hummel, 2003) However, even this beacon of freedom would be hard to keep burning over the long term. “Ideological altruism is a hard motive to keep burning strong, even for a single lifetime.” The result could be a recentralization of political power and a reintroduction of taxation, effectively erasing all ideological progress made until that point. The goal is not necessarily to eliminate all states, but to limit their power to acceptable boundaries.

It is clear in the analysis that

“the State has arrogated to itself a compulsory monopoly over police and military services, the provision of law, judicial decision-making, the mint and the power to create money, unused land (“the public domain”), streets and highways, rivers and coastal waters, and the means of delivering mail... But, above all, the crucial monopoly is the State’s control of the use of violence: of the police and
armed services, and of the courts—the locus of ultimate decision-making power in disputes over crimes and contracts.” (Rothbard, 1998)

Only a few of the most ardent conservative minds hypothesize that the private production of military force would be superior to the state in all segments of defense. Therefore, it is important to view the more moderate solution in contrast to the anarcho-capitalist one.

Towards that purpose, many conservative economists lay out not an anarchist state solution, but a minarchist one, specifically the famous Nozick night watchman argument. Under this solution, those who inherently had nationalistic fervor could serve their country, and be the first line of defense and the coordinating force in case large scale action was necessitated. However, in the normal state, this small standing military would create only a bare-bones framework. Instead of hundreds of thousands of standing soldiers, the government would be reduced to the emergency centralization of authority on a voluntary basis should an extreme scenario of defense become necessary. However, without need for materials to dominate large-scale combats, the nuclear bomb and all its accoutrements would become largely unnecessary. War would be fought along ideological boundaries, not simply for hatred or spite but for a measure that proposed sense and rationality for the purpose of long-term efficiency. The rest of the force would come from mercenary fighting organizations as necessary. Further evidence of the efficacy of this approach is shown in the approach governments worldwide are taking to the private provision of defense. One of the unique abilities of private military contractors is the fact that they are not tied by as many legal considerations as state militaries. While in the free market their moral constraint would be as strong if not stronger in all cases than the modern incarnation of the military, they are not as tied to state boundaries. In fact, a review of Cooperate Warriors draws out this point admirably,
“indeed international organizations such as the United Nations, may at times be better advised to use such companies for some operations than to provide elements of their own armed forces. Such companies are accountable to those who pay them—an area that the United Nations has had problems with when it comes to members' contributions-and may provide a quality that is otherwise unachievable.” (Dorman, 2004)

Mercenary warfare is hard to theorize because the current incarnation of military is singularly state dominated. And those mercenaries that have been used have been in compromising situations due to government power and influence in their business. The clearest example is Guantanamo, which the military used an old clause updated for information contractors. The government has routinely acted on to cover up information and expenditures.

“By outsourcing parts of the job instead, the Bush administration has avoided such unappealing alternatives and has also been able to shield the full costs from scrutiny: contractor casualties and kidnappings are not listed on public rolls and are rarely mentioned by the media. PMF contracts are also not subject to Freedom of Information Act requests. This reduction in transparency raises deep concerns about the long-term health of American democracy. “ (Singer, 2005)

Therefore, the current incarnation of military warfare is based around PMF’s being cloaked and shadowy. The secrecy inherent to the modern format of military provision cannot be overcome by a legal shift. For a permanent change of the implementation of the military structure the underlying ideology must change.

The glories of military action will still lie in the nationalistic army, but in a minarchist state military spending would be limited and transparent. The result would be a military subject to the will of the people and therefore be accountable for its expenditures as well as its actions. This new incarnation of military force would serve public opinion, and create a stable future for responsible corporate action on the battlefield. The mercenary is already playing a rapidly expanding role, it is time for the legal system to see that protection of their pet military operations through aiding shady
moral actions will not result in long term national success, especially when the risks of despotism and the expenditures of uncontrolled bureaucracy are so high.

In the final analysis, the military cannot be effectively monopolized, because unlike monopolies in the free market there is nothing stopping the military from charging monopoly prices. However, it is clear from broad economic analysis that the private market is more efficient, it is harder to justify the complete abolishment of the government military, because of the nationalism and fervor to fight for their country that some men have. However, the thesis of the paper has been that private military contractors can be more efficient than their government counterparts, because competition will introduce market prices and thereby dynamically move toward eliminating inefficiency and creating a stable future. The mercenary is already playing a huge role in the market provision of defense, but is highly limited by the fact that government intervention is holding the market in an unnatural position. While governments huge amounts of funds are a boon to the burgeoning industry, the lack of openness and corporate responsibility has created a distinct lack of competition in the market.

The government has tainted a private market institution by paying for secrecy and funding their pet agendas while avoiding legal oversight through the use of multinational military corporations. In the open market, the mercenary could be efficient and streamlined, but to accomplish such a shift in practical application of military force the paradigm of military action would have to change. The government could no longer be the sole provider of military force, if not being eliminated from the market entirely. Additionally, the general goal of American hegemonic power enforced through military
dominance would no longer be achievable in an anarchical society. The operable free market could defend itself and innovate faster than a publicly-provided system. However, for its long-term success the market would have to cling to that ideology generation after generation, or else collapse would spell doom for conservative military practice, and the reinstitution of centralized military force might spell another century as bloody as the 20th. The private provision of military has not been tested in modern history, preferring instead the state provision, regardless of inefficiency. The mercenary soldier is becoming increasingly necessary in this age of technological war, competition must be reintroduced to the system for efficiency to be achieved.

*Ours is a world of nuclear giants and ethical infants. We know more about war that we know about peace, more about killing that we know about living.* - *Omar Bradley*
Works Cited


