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PRIVATE SECURITY COMPANIES IN THE FIGHT AGAINST PIRACY IN ASIA

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ABSTRACT

We live in an increasingly privatised world. Today, private companies offer services for every aspect of life, including the security and military sector. It should, therefore, be far from surprising that so-called Private Security Companies (PSCs) are also employed to secure the world's oceans. In fact, in the last ten years an increasing number of private companies offering anti-piracy services have surfaced and expanded. Despite their growing numbers, there is a number of problems and controversies surrounding the services offered and the organisation and characteristics of these companies.

PRIVATE SECURITY COMPANIES¹

The recent war in Iraq has brought to world attention the existence and involvement of private companies in wars and post-war reconstruction efforts and heightened public awareness of the nature of work conducted by the private military industry (Singer 2004b). While the outsourcing of military services is hardly a new phenomenon, the latest kind of 'private actor', the PSCs, evolved only in the past fifteen years, with the number of PSCs and the variety of services they offer growing rapidly in the post-Cold War environment. Conducive to the growths of the privatised military industry was the changing nature of conflict after 1989, (Singer 2005: 50-53) the downsizing of major armies,² and the employment of PSCs in Iraq and in the War against Terrorism (Isenberg 2004a). Active throughout the globe, PSCs offer services ranging from logistics support, risk analysis, training of military units, and intelligence gathering, to the protection of assets and people in conflict zones. While the employment of PSCs has been controversial,³ they are today employed by various governments, the UN, humanitarian NGO's and multinational corporations, but have also been known to assist rebel groups and international criminal syndicates (Singer 2003:52; Singer 2004a). Even though most PSC operations are often thought to be largely confined to Africa and the Middle East, many PSCs are active in Asia. In Southeast Asia, increasing globalisation and the intensification of the global economy have brought about many changes in the post Cold-War era, which has increased demand for services offered by PSCs. These include not only the transformation of economies and polities, but also the development and dissemination of radical political and religious ideologies into and within the region. In this period, the region experienced a resurgence of religious fundamentalism together with a sharpened sense of maintaining ethnic identities and boundaries, enhancing previous regional conflicts in several Southeast Asian nations (Chalk 1997: 7-11). With the beginning of the war against terrorism and the more recent terrorist attacks in the region— including the October 2002 bombings on the Indonesian island of Bali—the feeling of insecurity and the sense of threat, especially to foreign interests, have increased significantly.

PSCs IN THE MARITIME SECTOR

The demand for PSCs in Asia came in part from the maritime sector, and PSCs are today widely employed to secure the world's oceans, or more precisely, commercial vessels, yachts, cruise ships, offshore energy installations, container terminals and ports. To address these security challenges, PSCs offer a wide range of services. These include risk and vulnerability

assessment and consulting for ship owners and port operators, the training of naval and maritime security forces, insurance fraud and cargo crime investigation, the protection of oil platforms and offshore storage facilities against rebel or terrorist attacks in politically volatile regions, and much more.

ANTI-PIRACY SERVICES

Most PSCs active in the maritime sector also offer services to address the growing piracy problem in Asia as well as other parts of the world. Since the early 1970s incidences of piracy and crime on the high seas have steadily increased in Southeast Asia, and the region has become in recent years one of the global 'hot spots' of attacks on commercial vessels, barter traders and fishing boats (Warren 2001: 13-17). Modern day pirates are increasingly prepared to use violence to further their aims, with the number of pirates armed with modern guns on the rise. Injuries to the crew, assaults, and killings occur regularly in pirate attacks in the region. A further worry is the latest increase in hostage taking of crewmembers and vessels for ransom.⁴

The vast majority of pirate attacks in Asia today are simple 'hit and run robberies', committed by what can best be described as 'common sea-robbers'. Such attacks are often brief affairs, lasting no longer than 15-30 minutes, and require a minimum level of organisation and planning (ICC International Maritime Bureau 1998: 3 and 7). In cases in which the pirates confront the crew onboard directly, these simple robberies can involve a high level of violence.⁵

A second group of pirates can be characterised by a higher level of organisation and sophistication. These organised pirate gangs - or syndicates - predominately attack medium-sized vessels, including cargo ships, bulk carriers and tankers. Two different types of pirate attacks by organised gangs can be distinguished, so-called long-term and permanent seizures. Long-term seizures are attacks in which a vessel and its crew is held hostage for a limited time.⁶ An even higher level of organisation and sophistication is required for permanent seizures.⁷ In these cases the entire vessel is hijacked by pirates and is then turned into a so-called "phantom ship".⁸

To address the different kinds of piracy, PSCs offer a wide selection of services ranging from risk consulting to the 'detention and elimination of threatening parties',⁹ Not all companies, however, offer all anti-piracy services, with some solely providing risk consulting

or vessel tracking services. Yet most seem to offer many or most of the major anti-piracy services, which include:

- a) Risk Assessment and Consulting
- b) Training of Crews, Port Authority Personnel or Military and Law Enforcement Units, and Vessel Tracking
- c) Provision of (Armed) Guards onboard Vessels or Vessel Escorts
- d) Crisis Response, Investigation and Recovery of Hijacked Vessels and Cargoes, and the Rescue of Kidnapped Crewmembers
- e) Fisheries Protection and Protection of Fishers against Poachers and Pirates

PSCs, therefore, offer preventive as well as post-attack services, addressing all types of pirate incidents on commercial vessels and pleasure crafts. Hit-and-run robberies, maybe even attacks by organised pirate gangs or syndicates, may be prevented through better training of the crew or the presence of armed or unarmed guards onboard a vessel. Victims of hijackings can rely on crisis management assistance during the event, or employ a company to relocate or recover the hijacked vessel or stolen cargo afterwards. Furthermore, PSCs' services may even help prevent attacks on fishermen, which are often very violent in nature. These services are not only sought after by clients based in piracy prone regions, but also by insurance companies and banks located in major cities around the globe. To cater to their clients' needs, PSCs offering anti-piracy security are based all around the world, but often have their headquarters in Europe or the US. Many of these companies are part of, or attached to, larger PSCs or transnational corporations outside the security industry. However, there is today a number of companies based in Asia and an increasing number of companies stationed outside Asia have opened regional offices in Asian cities such as Singapore, Hong Kong and Bangkok.

There are, though, important differences between services advertised by PSCs on their Internet homepages and services actually put into practice for a customer. The questions that now arise are what favours the employment of PSCs in the maritime sector, and what are the difficulties and problems that the industry and their clients may face.

FAVOURABLE CONDITIONS

As discussed above, the security environment changed considerably after the end of the Cold War, and particularly so after the September 11, 2001 terrorist attacks. With a heightened fear of a maritime terrorist attack,¹⁰ governments began to look at the world's oceans with grave concern, resulting in the implementation of the ISPS code and other new safety and security regulations in the maritime sector. This enhanced the emergence of a new security consciousness in the shipping industry, with many becoming aware that security improvements were necessary to sufficiently protect their assets, investments and crews.¹¹ These changes undoubtedly offered an unprecedented opportunity for PSCs, as government authorities and agencies were unable to provide security, training, and technical security equipment¹² on the scale that was now sought by the maritime industry or is today required as part of new regulations.

Nevertheless, there has been wide concern about whether or not the implementation of the ISPS code and other new regulations will substantially increase security, with many observers arguing that while everything will look good on paper, in reality nothing will change (See for example Langewiesche 2003: 76-77). Even if the new regulations were successful, the maritime environment would still remain one of the least controlled and regulated sectors - a legacy of the old maritime tradition of the freedom of the ocean. This lack of effective control leaves ample opportunity for grey-zone and outright illegal activities, and provides pirates and terrorists with room to conduct their business. William Langewiesche even suggests that:

It is not by chance that the more sophisticated pirate groups and terrorists seem to mimic the methods and operational techniques of the ship owners. Their moral and motivations are different, of course, but all have learned to work without the need for a home base and, more significantly, to escape the forces of order not by running away, but by complying with the laws and regulations in order to move about freely and to hide in plain sight. (2004: 7)

These overall conditions provide PSCs with the opportunity to offer a wide range of services. It remains, for example, comparatively simple to re-register a hijacked vessel, making it very difficult to locate the vessel once it is given a new identity. This, as a result, gives PSCs the opportunity to offer investigation and vessel recovery services. Additionally, companies such as Gray Page Limited, offer not only to recover hijacked vessels but also 'specialise in lifting the corporate veils between off-shore registered companies to provide title to assets such as vessels to which beneficial ownership has been concealed through the use of non-disclosure domiciles'.¹³

Some PSCs also offer pre-employment and crew background checks, as document fraud remains a major problem in the maritime industry. The Seafarers International Research Centre at Cardiff University found for instance more than 12,000 cases of forged certificates of competency in a survey of fifty-four maritime administrations (Vaknin 2004; See also: *International Chamber of Commerce* 2001). Background checks conducted by PSCs could not only increase the overall safety on vessels but may also, in some cases, prevent the employment of crewmembers likely to collaborate with pirate gangs.

Also, the lax controls in the maritime world may allow PSCs to conduct their work more freely and unobserved than in other environments. This provides, on the one hand, room for less reputable companies to act and operate outside the law.¹⁴ On the other hand, it allows companies to operate unhindered and to complete their operations swiftly and effectively.

The striking similarities between the maritime industry and the privatised military and security industry in regard to secrecy as well as to lax controls and oversight could also be beneficial for PSCs, as potential clients do not have to fear that any information about their own operations and business practices will be revealed or made public.

Not only might the nature of the maritime environment may be favourable for PSCs to find and conduct business, but also the questionable reputation and low resources of some of the authorities and law enforcement agencies in the Asian region. The preparedness of some officials, particularly so in countries like the Philippines,¹⁵ to accept bribes to either turn a blind eye, or assist in certain tasks, may for example aid PSC employees to operate in the region.

An incentive for ship or cargo owners, banks or insurance companies to hire a PSC may be the general difficulty for outsiders to deal effectively with authorities in Asia, and a lack of faith that local authorities will successfully handle the case and act in the victim's interest. The employment of a PSC on the contrary promises the use of highly experienced

and motivated individuals, working solely in the client's interest. The relatively low level of training and the poorly maintained equipment of some navies and other law enforcement agencies in some Asian countries such as Indonesia,¹⁶ may not only increase these suspicions, but also offer other employment opportunities for PSCs. These include assistance in maintaining and operating existing and new equipment, as well as the training of units by experienced ex-special forces personnel in advanced skills such as terrorist or piracy counter-manoeuvres.¹⁷

OBSTACLES

The same maritime environment that provides the favourable conditions for PSCs discussed above also poses and creates obstacles for these companies. For example, while crew background checks may be useful and prevent crimes, being able to get reliable information on the life, training and former experiences of, let us say, a Filipino citizen from a remote island can be difficult and therefore too expensive for a ship owner. The unwillingness of the maritime sector to invest in the safety of their assets and the people they employ may indeed be the biggest obstacle faced by PSCs. Despite the strengthening concern about security within the maritime industry, there seems to remain a reluctance to spend additional money¹⁸ to increase safety (Morrison 2004; Duperouzel 2004).¹⁹ Furthermore, the overall financial loss resulting from most pirate attacks remains rather low, and people like Captain Mukundan from the IMB have pointed out that the employment of armed/unarmed guards onboard vessels has only very limited effect in deterring pirates or terrorists (Mukundan 2004a). The extra costs²⁰ for employing armed guards may therefore not be justifiable in the eyes of ship owners who have to stay commercially competitive. There are, however, some exceptions, such as the employment of armed guards on trawlers fishing in high risk areas. Tuna trawler fleets operating in the southern Philippines have for example relied on armed guards to ward off pirates who are known to steal the catch in this region (Clark 2004).²¹

Furthermore, reputable PSCs have to act within the legal boundaries set by the states they are operating in. This can be a difficult and complex task as a vessel does not only move between various states and jurisdictions, using the right of innocent passage, but also sails under the flag of yet another state. For example, a number of companies offer armed escort vessels for shipping in high risk areas and piracy hotspots, such as the Malacca Straits. However, the publication of a handful of newspaper articles in the *Straits Times*, describing these services (Boey 2005: 3; Sua 2005: H4-5) sparked an outcry from Malaysian and

Indonesian authorities. Both countries rejected the employment of private armed escorts, with the Malaysian Director of Internal Security and Public Order, Datuk Othman Talib, warning that any such vessel found in Malaysian waters would be detained, and the crew arrested and categorised as terrorists or mercenaries. They would then be charged under the Internal Security Act. He also pointed out that any PSC wishing to operate in Malaysian waters has to apply for a permit from the Ministry of Internal Security (*Marinelog.com* 2005; *Bloomberg.com* 2005). However, rules and regulations regarding the bearing and use of weapons by private companies vary from country to country and vessels not only have to comply with the laws of the country whose waters a vessel is transiting but also with those of the vessel's flag state. Employees of Background Asia, a Singapore based company, for example, are required to disassemble their weapons and lock the ammunition magazines and firing pins in separate locations, when in Singapore waters (Boey 2005: 3; Sua 2005: H4-5).

PSCs also have to compete with local authorities and institutions like the IMB's Piracy Reporting Centre (PRC) for contracts. While a number of government offices, NGOs and other institutions offer political risk analysis, the IMB also regularly publishes reports on piracy and armed robbery at sea (Zou 1998: 13). Furthermore, it has a proven track record of successfully assisting victims in the recovery of hijacked vessels and stolen cargo.²² The IMB has also the advantage of providing these services most likely substantially cheaper than private companies.²³ Commenting on the role of PSCs in response to piracy, Captain Mukundan from the IMB stated that they can play an important role in the training of crew members, teaching them, for example, how to act in hostage situations. He added that in many other aspects the services offered by PSCs are controversial, and that he is not convinced that a PSC has indeed ever succeeded in recovering a hijacked vessel (Mukundan 2004a).

Captain Mukundan's views may be regarded by PSC staff as merely a statement of a commercial competitor. However, his scepticism towards PSCs is shared by many others and may be based in part on the internal structure and set up of such companies, as well as on concerns regarding the nature of services they provide.

INTERNAL AND OVERALL PROBLEMS

Most of the more crucial problems and controversies surrounding PSCs' anti-piracy services stem from the organisation and characteristics of the companies itself. In interviews with PSC employees, most commented on the large number of PSCs now offering maritime related services and questioned the ability of the majority of these companies to actually deliver what

they promise. The rising number of PMCs offering maritime related services can be in part attributed to the fact that it is comparatively simple and inexpensive to set up such an enterprise. Many PSCs only hire personnel and acquire necessary equipment on a case-to-case basis, once a contract with a client is signed. This allows the companies to run their business with limited expenses. Many companies, therefore, only consist of an office, a very limited number of permanent staff, and, usually, an impressive homepage on the Internet. While this company set-up can be beneficial for the client as resources are bought and staff hired specifically for the client's needs, it also allows companies to rapidly dissolve and recreate themselves if need be.²⁴ Also, it allows the establishment of PSCs by a wide variety of people. Information provided by companies about their background, the company itself and the services they have conducted in the past, as well as information about the people they hire if required, is usually sparse. As Frank Hopkins writes:

There are many shingles out for 'maritime security', including several with a shingle but no credential or track record. They would like to sign you up as a client or sell you stock in their company, either way is fine, as long as they get your money. There are others who have even initiated relationships with legitimate security firms or army suppliers, but sail under false flags as far as credentials and experience. There are many very professional websites, behind which we were unable to find a professional organization. (Hopkins 2000: 57)

However, the level of information about companies, their founders and employees vary, with some companies, such as Enterprising Securities²⁵ providing hardly any information at all to companies such as Gray Page Limited, which offers short background information about its founders and staff. Gray Page is not only in this regard rather the exception, as the company is set up and run mostly by people without a military background. The majority of PSCs operating in the maritime sector seem to be founded by and to employ mostly ex-military or ex-law enforcement personnel, with the credentials and reputation of the company often linked closely to the past military experiences of its founding members and employees. Therefore, most companies advertise to employ former members of elite Special Forces from around the globe, with 'vast experience'. Whether or not such experience has been in the maritime sector or related to the services and tasks offered by the PSC they now work for, including for example knowledge about the vulnerabilities of a ship, remains often unclear. To bridge the background information gap and to win a potential clients trust all these companies go to great length to stress the high moral standing of their employees. A good example is Securewest International's use of Gurkha soldiers' reputation to reflect on the company and the companies' operational abilities, as they employ former soldiers from the

British Army Brigade of Gurkhas. They are described in the company's brochures not only as 'the bravest of the brave' but also as 'the most likable people you will ever meet'.²⁶ Other companies often use descriptions such as 'of good character' or 'men with highly tested character' to describe the personnel they employ if needed.

Furthermore, to accomplish many of the services advertised, PSCs require good connections and relationships with government authorities in the Asian region, as well as a reliable network of informants. A certain level of diplomatic skills is also needed to maintain these relationships as well as knowledge of the maritime sector. While most of the companies emphasise their 'excellent relationships' with law enforcement agencies and government officials, these claims are difficult to assess due to the lack of information given about companies.

PSCs rely on an impressive presence on the internet to promote their services. Yet, the lack of information about companies' track records and real experiences in the services they advertise is a characteristic common to all PSCs operating in the maritime sector. All stress on their web pages that the services and operations they conduct for a client remain confidential. While this is understandable in some cases, it offers companies the easy option of claiming to have conducted a wide range of services, as no one is able to verify the information given. One example that comes to mind is the vast number of companies claiming to be experienced in, or claiming to have recovered, hijacked vessels. While a vessel can be anything from a rubber dinghy to a super tanker, the number of hijacked vessels would be enormous if all these claims were true.²⁷ The lack of information about PSCs track records, is also an indicator for another, maybe more serious, problem. PSCs conduct their operations for a specific client and are bound to follow their client's interests. If a hijacked vessel is for example recovered, information about the hijacking and the culprits is only given to local authorities with the client's consent (Corless 2004). Therefore, if the client has no interest in, or does not believe it fruitful to inform law enforcement agencies, the perpetrators are left untouched and are able to continue their line of business.

All these factors can certainly arouse suspicion in the wider maritime community and make it increasingly difficult for a potential customer to choose among these companies. The difficulty of choice for a reliable company is crucial in regard to PSCs, as the consequences of hiring an unreliable company can be problematic at best or disastrous at worst – not only for the client. A ship owner for example, has to trust a company to choose the right kind of people to be employed as armed guards on one of his vessels²⁸ in order to avoid accidents and excessive use of violence. Talking about a case in which his company provided an armed

escort for a yacht in Indonesian waters, a manager of a PMC stated in an interview, that the instructions he gave to his employees were clear: 'Shoot first, ask questions later'. Anyone approaching the vessel without providing satisfactory identification would be shot at.²⁹ While there have been numerous attacks on yachts in Indonesian waters which involved a high level of violence from the attackers, others were simple hit-and-run attacks conducted by a number of local coastal inhabitants attacking a yacht to steal food and small belongings in times of need (Sethuraman and Maurer 1999). To shoot in these circumstances can be unnecessary, not to mention other incidents in which local fishermen may simply approach a yacht out of curiosity. However, these extreme actions on the side of PSCs are possible and remain unaccounted for, as they will most likely occur at sea, out of sight of authorities or witnesses. Furthermore, the 'pirates' conducting such 'attacks' will most likely be local fishermen or other inhabitants of small local villages. The chances that any serious action will be taken to inquire what happened to these people, or if the actions taken by the PMC employees were justified, unfortunately remain slim. On a larger scale, weapons in the hands of guards on a large commercial cargo vessels or a tanker, can have devastating consequences if handled in a careless or inconsiderate, over-eager fashion. Representatives of the Federation of Asean Shipowners' Association, the International Maritime Organisation (IMO) and various other maritime organisations have pointed out that armed escorts may in fact escalate an already volatile situation and that a shoot-out on an oil or chemical tanker could be disastrous (Malakunas 2005). The question of the level of violence used by PSCs remains controversial. However, it is understood that if PSC employees carry guns, they are also prepared to use them, or as Alex Duperouzel from Background Asia put it in a newspaper interview:

Just like a cop who has to defend his own life, our men will not shoot to kill. It is a series of escalating events. If we can take out an engine, we'll do so. We will also go for the knees. But if we are forced to engage, we will engage to win.
(Quoted in: Boey 2005: 3)

The question of reliability, however, does not only concern obvious issues such as weapons on board a vessel, but many other aspects of services provided by PSCs, including the rescue of hijacked crew members or vessels, which can not be discussed here. However, controversies that may arise from risk consulting conducted by PSCs, are maybe less obvious and are therefore worth looking at briefly. By relying on political risk analysis reports from PSCs, one relies on information provided in many cases by the very companies that sell solutions to security threats. It is therefore important to keep in mind that PSCs are primarily commercial enterprises, aiming at producing financial profit for the company and its shareholders. The secrecy surrounding the work of PSCs and the methods of research they

employ, resulting in difficulties for outsiders to verify the information presented in PSCs reports, are a further problem. Particularly so because the findings of PSC reports are not always only accessible to PSC clients but regularly find their way into the mainstream media. The extensive publicity in the case of the attack on the vessel *Dewi Madrim*³⁰ is one example. Numerous newspapers around the globe discussed over a period of several months the links between terrorist and piracy attacks, using the example of the attack on the *Dewi Madrim*. The source of information for these articles was allegedly a commercially available, but expensive, report published by Aegis Defence Services Ltd³¹, a London based PSC managed by its shareholders, among them, as Chairman and CEO, Lt-Col Tim Spicer.³² The following excerpt from the Economist is a typical sample:

But according to a new study by Aegis Defence Services, a London defence and security consultancy, these attacks represent something altogether more sinister. The temporary hijacking of the DEWI MADRIM was by terrorists learning to drive a ship, and the kidnapping (without any attempt to ransom the officers) was aimed at requiring expertise to help the terrorists mount a maritime attack. In other words, attacks like that in the DEWI MADRIM are the equivalent of the al-Qaeda hijackers, who perpetrated the September 11th attacks going to flying school in Florida. (*The Economist* 2003)³³

Investigations into the attack on the *Dewi Madrim* by the IMB, however, came to the conclusion that terrorists were not involved (Mukundan 2004a). Information from the manager of the vessel, and a telephone conversation with the Captain, in fact showed that no-one was kidnapped and that the attackers made no attempt to learn how to 'drive' the vessel (Chan Kok Leong 2004).³⁴ Asked in an interview about these discrepancies, Dominic Armstrong, MD of AEGIS Research and Intelligence, stated that the AEGIS report was simply misquoted in regard to the kidnapping.³⁵ Obviously, it is out of AEGIS' control what newspapers publish and it should be the responsibility of the journalists to check their sources – even if the price of the AEGIS report at US\$5800 makes this an expensive task. However, it remains that Mr Armstrong confirmed in the interview that his company had not spoken to the manager of the vessel or anyone who was onboard the ship during the attack.³⁶

CONCLUSION

PSCs today offer preventive as well as post-attack services to address every kind of modern day piracy incident. Some of the services advertised and some of the companies are, however, still in the formative stages and only time will tell if this commercial alternative to provide anti-piracy solutions will be accepted. Given the increased security awareness in the maritime

sector and the overall trend of outsourcing in the military and security field, the chances of PSCs to grow and prosper in the maritime sector seem good. The increased business opportunities in the maritime sector could then in turn contribute to the general growth of the privatised military and security sector. Indeed, by offering a broad spectrum of services addressing maritime security and terrorism issues PSCs no longer have to rely on actual wars or armed conflict to prosper.³⁷ However, as discussed above, there are a number of problems and controversial issues that are inherent in the private maritime security industry, and if the employment of PSCs in this sector is to increase then improved regulation and oversight of these companies is needed. The examples discussed above also suggest that potential clients should choose the PMC they wish to employ carefully, and that a certain dose of scepticism may be appropriate for clients and the public when relying on information published, or allegedly published, by some PSCs. In future studies, the research methodologies of PSCs is an issue that certainly warrants further attention. In regard to piracy, it is important to keep in mind that while PSCs may assist in preventing individual pirate attacks and help victims in dealing with the aftermath of an attack, they do not address the underlying root causes of modern day piracy itself.

NOTES

¹ These companies are also sometimes referred to as Private Military Companies (PMCs). There has been an ongoing debate how to distinguish between PMCs and PSCs. Some observers have suggested that PMCs provide active security services, including military training, while PSCs offer more passive services, such as logistics support for military operations. However, it has been argued that these distinctions are difficult to put into practice. However, as this article is concerned mainly with anti-piracy services offered – services mostly provided outside areas of active armed conflict or war - I will use the term PSC for this article. (See: Singer 2003: 89-91; Brooks 2001: 129-130; Shearer 1998: 24).

² This left an abundance of well trained and experienced soldiers available to set up, and be employed by, PSCs. Also, the reduction in size of the military at a time when numerous conflicts in different parts of the world emerged, led the US government to increase military outsourcing in order to be able to respond to these conflicts. (Avant 2004).

³ Proponents of PSC have pointed out that private companies can offer more effective military service at a cheaper price than state militaries and can respond to a crisis more rapidly. Also, it has been stressed that PSCs have successfully operated in post-conflict areas providing, for example, demining services. (See Brooks 2001). However, with increasing involvement of PSCs in conflict zones, in military training, and the protection of assets all around the world, a number of concerns about the nature of work provided by PSCs surfaced. These concerns mostly centred on the lack of transparency and public oversight of PSCs operations and business practices and the question whether or not the protection of national security and the provision of military services should remain the domain of governments, rather than the profit motivated private sector. These concerns were fuelled by reports of scandals surrounding the work conducted by a number of PSCs (International Consortium of Investigative Journalists 2003: 1; Singer 2003: 166-167; Isenberg 2004b).

⁴ One of the more prominent cases was the attack on the tanker *'Penrider'*, in which three members of the crew were taken hostage (See McGeown 2003).

⁵ Reports of lost yacht equipment, hijacked yachts, injury or even death of yacht owners and their crew appear from time to time in newspapers or other reports. A systematic data-collection for yachts or fishing vessels does not exist to my knowledge.

⁶ In these cases a vessel is attacked whilst underway, the crew overpowered and the ship diverted from its course. In some cases, the ship is repainted and the name changed by the pirates in order to avoid detection. However, while the crew is held hostage, the ship is brought to a safe location to unload the cargo, after which the crew and the vessel are released (ICC International Maritime Bureau 1998: 35-36).

⁷ Permanent seizures appear to be a phenomenon particular to the Far East region and, increasingly, Indonesian waters. In the past, many hijacked vessels have been found in southern Chinese ports. However, the number of hijacked medium sized vessels has, according to IMB data, declined in recent years.

⁸ In those cases the vessel's original cargo is disposed of and the original crew either killed, thrown overboard, or put into life rafts and left on their own device. The ship is then registered under a different name. Equipped with a new identity, the vessel is then offered to an anxious shipper to transport his cargo. The cargo, however, will never arrive at its destined port, as the vessel is diverted and the cargo off-loaded in another port and sold to another consignee. The vessel is then once again re-registered under a different name and the play begins once again (See ICC International Maritime Bureau 1998: 32-35).

⁹ Global Marine Security Systems Company (GMSSCO) homepage <<http://gmssco.com/>>.

¹⁰ Indicators of this heightened awareness and fear are the large number of newspaper articles discussing the likelihood of a maritime terrorist attack, as well as the increasing number of academic papers and books looking at the issue. One prominent example in Singapore is by Michael Richardson, entitled *A Time Bomb for Global Trade: Maritime-Related Terrorism in an Age of Weapons of Mass Destruction*.

¹¹ The protection and safety of the crew is, unfortunately, mostly not the main concern.

¹² There is a great range of technical anti-piracy products on offer today, including electrical fences for vessels and non-lethal weapons such as shoot-able glue, which cannot be discussed in this article.

¹³ Gray Page Limited homepage. <<http://www.graypagelimited.com/>>

¹⁴ This is of particular concern in cases where PSC personnel is armed and/or involved in operations such as the recovery of hijacked vessels and yachts, or the rescue of kidnapped crewmembers.

¹⁵ For the Philippines, see for example: Trillanes (2002).

¹⁶ The Center for Defense Information in Washington, DC, states on its website that only about 20-25% of the Indonesian Navy's inventory is operational. See: Center for Defense Information (2004).

¹⁷ PSCs may even be used as a means for one state, or a group of states, to provide assistance (for example training) to another state, without the providing state being directly involved and responsible for it. This may make it easier for the receiving state to agree to the assistance offered. However, the negative impact of heavy reliance on outside training and assistance can be dependence on the very people and companies that provide these services. (See Singer 2003: 96-97).

¹⁸ The ISPS Code, for examples, requires a Ship Security Officer (SSO) for specific vessels. The cheapest way, and the one chosen by many companies, to fulfil this requirement is to appoint the captain/master as SSO, as no additional personnel needs then to be hired. The downside is that the already busy captain/master has to handle these additional duties. There was even a fair amount of resistance from ship owners when it looked like a commission of the European Union might decide that the SSO on board a vessel must be someone other than the captain/master on ships registered in the European Union. However, the EU Commission eventually decided against it. See: (Brewer 2004: 5; Kelso 2004: 7).

¹⁹ Some also claim that only a major maritime attack (a major terrorist attack or a pirate attack resulting in a major oil spill or collision of vessels) or increased insurance rates will enhance the willingness of the shipping industry to invest into better security.

²⁰ Background Asia suggests the employment of 10 guards on a vessel for a passage longer than 24 hours. They also provide an indication of the expected costs, stating 'a basic team of 10 men would be about US\$30,000-40,000 per months and would probably be deployable on vessels in dangerous passages for 25 days a months' (See: Background Asia 2003: 4-5).

²¹ Mr Clark works for a PSC active in the Philippines.

²² See for example: *International Chamber of Commerce* 2002 <http://www.iccwbo.org/home/news_archives/2002/stories/thai-piracy.asp> (accessed 15 September 2004). Or: "Piracy Reporting Centre foils another hijack on the high seas", *International Chamber of Commerce*, 16 June 2000 <http://www.iccwbo.org/ccs/news_archives/2000/hijack_foiled.asp> (accessed 15 September 2004).

²³ The IMB does not have shareholders and therefore does not pay out dividends. While some of the IMB's work is conducted free of charge, financial arrangements depend on their clients preferences, with some preferring to pay on a time and cost basis while others prefer to be charged upon the success of an operation (Mukundan 2004b).

²⁴ This is also the case for PMCs offering non-maritime related services. See: Singer (2003: 73-75).

²⁵ *Enterprising Securities* homepage: <http://www.enterprisingsecurities.com/index.html>.

²⁶ *Securewest International* homepage: <http://www.securewest.com/home.ikml>.

²⁷ However, I believe that there are a small number of companies, which have been able to recover hijacked vessels.

²⁸ The consequences can, obviously, be more serious in cases where PMCs are involved in wars or armed conflict.

²⁹ Interview conducted by the author.

³⁰ The *Dewi Madrim* was attacked on the 26.03.2003 in the Malacca Straits. In the event, ten armed pirates boarded the *Dewi Madrim*, broke open the port bridge door and took the duty officer and A/B hostage. The pirates then gathered all crewmembers and tied them up. The perpetrators stayed on board for about one hour and there are conflicting reports about who navigated the vessel at that time. The pirates eventually left the vessel with the ship's cash, equipment and some of the crews' personal belongings. None of the crewmembers was injured in the attack. See for example: ICC International Maritime Bureau (2004: 30).

³¹ At the time the author's research was conducted, Aegis Defence Services Ltd had four divisions including Risk Analysis (through Research and Intelligence), and Maritime Security. The maritime sector was covered by Hudson Trident, which was either wholly owned by Hudson Marine Management (<<http://www.hudsontrident.com>>) or a 50/50 joint venture between AEGIS and Hudson Marine Services (<<http://www.aegisdef.com>>), (as of 15 September 2004). Since then, however, the structure and website of the company have changed. AEGIS is at present (September 2005) a specialist risk management company comprising three divisions: Research and Intelligence, providing risk analysis and assessment, Technical Services, providing risk mitigation, and Security Services providing risk management. (Information provided to the author by AEGIS.)

³² *Aegis Defence Services Ltd* homepage: <http://www.aegisdef.com>. (Also accessible through: <http://www.aegisworld.com>)

³³ The text in brackets is included in the original article.

³⁴ Also telephone conversation with the vessel's Captain, 13 February 2004.

³⁵ Dominic Armstrong, MD of AEGIS Research and Intelligence. Interview by the author, 118 Piccadilly, London, 22 June 2004.

³⁶ Ibid. He also stated in an interview in the CNN program *Insight* that '... a ship called the (*Dewi Madrim*), (...) was taken by pirates, and instead of going to the safe room and just stealing the cash, they went to the bridge. They steered the ship for an (hour), changing speed, changing direction then (installed) their own radio VHF equipment. At the end of the hour, they left. Now that is only one reported incident. Many incidents may have gone unreported, or just taking place, but that is an example of the maritime equivalent of a Florida flight training school.' (*CNN Insight* 2004).

³⁷ This is an advantage, as a number of institutions, including the Stockholm International Peace Research Institute and the Canadian Project Ploughshares, report that the number of armed conflict has been on the decline. See: Hanley (2004).

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