Mall Cops, Military Contractors, and al-Qaeda: An Examination of the Commodification of Canadian Security and Contemporary Terrorism

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INTRODUCTION

Although the al-Qaeda attacks of 11 September 2001 did not occur on Canadian soil, they nevertheless brought into sharp focus one of the fundamental responsibilities of the Canadian state: the provision of security for its citizens. The federal and provincial governments responded through the state assets and personnel under their respective control, namely the armed forces, police forces, and intelligence agencies. Yet, it is also clear that state ownership and direction are not exclusive and that the Canadian state will not be the sole supplier of security in the face of the terrorist threat. Often overlooked are many private actors, such as commercial or private security firms that work domestically, and military contractors that work with the armed forces at home and abroad. Whether working alongside public security sector forces or operating independently of them, these private actors, together with their public counterparts, form a public/private network that provides for the security of Canadians. "Public" and "private" actors, therefore, should not be seen as operating in separate realms, especially in the face of terrorist threats made all the more real by the November 2002 statement, believed to have been made by Osama bin Laden, that Canada was on his target list.¹

The objective of this article, then, is to investigate the nature and the implications of the commodification of Canadian security in the post-9/11 environment.² In pursuing this objective, it explains and explores four arguments. First, the direct effects of neo-liberalism only partially explain the private presence leading to the rise of the public/private network. Other factors exist, either as the indirect side effects of changes in politico-economic thinking or with their own unique characteristics, which create and perpetuate the private presence. Second, the prominence of the public/private network and the nature of modern-day terrorism together make plain not only the importance of this network, but also the fact that its effective operations are a matter of public concern in order to deal with the threat of terrorism. Third, though the network is by no means completely dysfunctional, numerous issues exist that potentially pose problems for the effective and appropriate execution of security measures for Canadians. These issues pertain to the qualitative attributes of the private actors, the nature and state of regulation, and the market-based system in which private actors operate. And finally, while policing activities and military doctrine need to be cast differently to respond to the presence of private actors, difficulties in coordination and vulnerabilities will remain that will limit the degree to which government can intervene effectively in the marketplace.

In sum, the scope and importance of market-based private actor contributions to the provision of Canadian security is vast, especially in the post-9/11 environment. Indeed, the purchase of private security services in Canada is booming in the wake of the attacks.³ But issues that compromise Canadian security do exist, calculations of risk must be made, and resolving these difficulties can only be partially achieved.
The Commodification of Security in Canada

*Private Security*

The rise in importance and numbers of private actors who conduct policing has been defined as nothing less than a "profound development in the securing of society." It is clear that this change is occurring in policing in Canada. Conservative estimates place the ratio of those employed in private security to those employed in public security, meaning public police officers, at 2:1. More generous estimations place the figure at 4:1. Put differently, another assertion is that the private security industry grew ten times in size between 1988 and 1995. In contrast, Statistics Canada reported in 1998 that the ratio of police officers to population stood at its lowest levels since 1970. Today, one can find private security deployed anywhere including shopping malls, office buildings, factories, universities, power plants, ports, and housing communities. In some cases, the private security personnel are "in-house," whereas in other instances they are contracted out to firms. While this description shows a heightened presence of private security personnel in Canada, it is not intended to suggest that this presence is a new occurrence. Instead, these figures and ratios confirm the increased visibility and the widening scope of private security activity in Canadian society.

In terms of catalytic ingredients, this development does involve, to a certain degree, the direct embrace of neo-liberal ideas by this particular branch of the state security sector. Public police forces across the country have introduced economic models so that they will spend money "smartly" and to greater effect in the future. Part of this shift sees the "civilianization" of policing. This shift is characterized by the employment of civilians to conduct tasks once conducted by police officers: radio dispatch, prisoner transport, administration, fleet maintenance, parking, and even station security. Some of these tasks are performed by civilians who are now in-house employees while in other instances they are contracted out. The objective of this civilianization is not only to reduce the cost of public policing, but also to maximize cost effectiveness and provide a higher standard of public service through treating and deploying highly trained (and paid/unionized) police officers as specialists.

This explanation, however, is not complete and cannot account for such a significant increase in the activities of private security. One must also consider other substantial trends in Canadian society that are either the indirect effect of changes in politico-economic thinking or that have their own unique characteristics.

One trend is manifest in the creation of the so-called "expectation gap" found in the public psyche. To explain, Canadian police forces are being asked to do more (e.g., community-based policing and anti-drug programs) despite the fact that their budgets have generally remained fixed since the early 1990s. Moreover, these increased demands exist alongside the fact that police forces are faced with an expanding variety of complex criminal activities. The end result, according to George Rigakos, is that private security serves to fill the resulting expectation gap, a phenomenon manifest in such things as gated communities.

A second trend fuelling the private presence is "responsibilization." With the downsizing of government functions in a multitude of fields, responsibilization means that
individuals feel that they must increasingly take charge of their own affairs. This includes activities for which individuals once thought they could rely upon the state, such as providing for their personal security.\textsuperscript{11}

Finally, a third trend is the rise of mass private property. Many areas/buildings that are essentially "private" in terms of ownership are nevertheless open to substantial public access (e.g., shopping malls, universities, retail parks, factories, and business offices). According to Clifford Shearing and Philip Stenning, because "more and more public places are now located on private property, the protection of property . . . has increasingly come to include the maintenance of public order, a matter which was, hitherto, regarded as the more or less exclusive prerogative of the public police."\textsuperscript{12} Unless special arrangements are made, public police forces are legally limited in the degree that they can claim regular access to private property.\textsuperscript{13} Private security, therefore, is needed in these places to reduce vulnerability, damage, and theft, in addition to issues related to liability.

On the basis of these developments, it is clear that private security personnel are not always replacing the public police.\textsuperscript{14} Individual initiative and the legal distinctions with respect to private property remain. Therefore, private security personnel are performing other functions such that the rise of private security cannot be simply deemed a zero-sum game.

\textit{Military Contractors}

At present, private actors also play a prominent role in the activities of the armed forces, the military component of Canada's security sector. This is nothing new. For instance, during the Cold War, though much of Canada's provisions were stockpiled in Central Europe to facilitate Canadian obligations to the North Atlantic Treaty Organization (NATO), arrangements still existed with local commercial providers in countries such as the then-West Germany. Similarly, Canadian firms supported the substantial network of military bases across Canada. The difference today, however, is not only that host nation support is not necessarily assured for operations abroad, but also that contractor support is becoming an indispensable component in the military's presence both within Canada's borders and beyond. Private contractors are present in a range of military activities described as "tail" or non-core/non-warfighting/non-"tooth" activities, including airlift, logistics supply, base maintenance, satellite communications, weapons support, and construction engineering.\textsuperscript{15}

Once again, a complex mix of factors brought about this presence. First, a desire to cut costs, save money, and conduct business more efficiently is a prominent feature in Canadian defence policy, seen particularly in the 1994 White Paper.\textsuperscript{16} If a private firm can do a certain task for less, the task is liable to be tendered to the private sector. To facilitate this approach, DND initiated in July 1995 its policy of Alternative Service Delivery (ASD) in order to realize potential savings and efficiencies. Since then, the department's Defence Management Committee has identified over 75 ASD projects. Additional supporting measures have also come about. In September 2000, DND put into effect its Task Force National Support Element (NSE), a contract held by ATCO-FRONTEC Logistics Corporation. Under the NSE, the private contractor replaced half of the combat support and combat service support personnel in Canada's contribution to NATO's Stabilization Force (SFOR) in Bosnia. Another endeavor is the Canadian
Contractor Augmentation Program (CANCAP), designed to serve as a "logistics force multiplier" at home and abroad. The recipient of the ten-year CDN$500 million CANCAP contract, the Quebec-based consortium SNC-Lavalin/PAE, has, for instance, provided support services to military exercises in Alberta and supplied 250 service personnel to Canada's Camp Julien in Kabul, Afghanistan. On its face, this collection of policies and activities is simply intended to achieve savings that then go toward reinvestment in combat capabilities via expenditures in capital equipment and operations. As well, given the level of training and the expense entailed in generating and maintaining armed forces, a further argument is that it makes sense not to give military personnel "diversionary" tasks.

These developments noted above are also both a response to and part of the sharp decline in defence budgets over the 1990s. The present budgeted sum for defence, approximately CDN$12 billion, is 40 per cent less than the amount in 1985. As the defence budget forms the largest part of the national government's discretionary budget envelope, it was particularly targeted in order to tackle the federal debt and improve Canada's global economic standing. This was done to the degree that Canada saw the largest post-Cold War defence budget reduction of any NATO country. Ongoing contracting by Ottawa, then, is meant to ensure the continued efficient use of limited resources.

Politico-economic factors, however, cannot be held solely responsible for the significant private presence. Without a doubt, the presence of contractors also exists due to the limited numbers of personnel now available to the military. While the number of authorized military personnel, 60,000, has fallen by 25,000 from 1988 levels, the number of actual employees is even less. The Auditor General reported in 2002 that staffing of the Canadian Forces (CF) stood at 57,600 in September 2001 and that the "effective" number of those ready for duty with the appropriate training stood at only 52,300. General reasons that explain this reduction are twofold. First, in the post-Cold War era, the operational tempo of the armed forces has placed considerable demands upon these limited numbers of individuals. In October 1999, for instance, Canada had 4,500 military personnel stationed worldwide in a variety of operations, its largest total deployment overseas since the Korean War. The increased operational tempo and the consequently substantial and numerous periods away from home, when combined with a decreased number of troops and reduced budgets, raised quality of life issues and helped to create burnout. These factors ultimately led to retention problems, as documented in surveys completed by departing personnel and as recognized by the Chief of Defence Staff (CDS), General Raymond Henault.

The second general reason is reduced recruitment rates. From 1994 to 2000, the Canadian military recruited less than half the number of personnel it lost. Obviously, part of this development is an effect of downsizing, but it also indicates that young Canadians do not wish to enter the services in the first place. For instance, the military in 2001 undershot its desired annual recruitment levels by approximately 1,200 personnel. One cause of this may be the increased opportunities for skill development and economic reward in areas other than the military. As noted by the Centre for Military and Strategic Studies, the "basic cause of the recruitment and retention crisis is that the increasing need for technically capable and well-educated young men and women to meet the demands of the
modern military places the CF in direct competition with major sectors of the economy." In this regard, the image of poorly paid soldiers operating out-of-date equipment does not serve well the cause for enlistment. Even the Canadian Senate has referred to the CF as an "Antiques Roadshow." Another cause is the decline of a sense of nationalism that fuelled the supply of personnel in earlier times. Compounding this are base closures, the declining number of military personnel, and the fading memory of Canada's military exploits earlier in the twentieth century that have all limited the exposure of young Canadians to the armed forces.

The negative effects, therefore, are seen in terms of force readiness and sustainability. Note, for instance, recent developments in Canadian military operations: first, the Canadian military withdrew from peace operations in Kosovo and East Timor because of the strain; second, it has had to consolidate its position in Bosnia; and third, though termed a "strategic pause," Canada withdrew its land forces in Operation APOLLO in Afghanistan due to over-stretch and the need for a military presence at the 2002 G-8 Summit in Alberta. Even with newly devised recruitment and retention plans initiated in the face of massive baby-boomer retirement, the CDS projects that effective force levels will rise in the future to only 55,000. Similarly, the demographic troughs created by the negative effects noted above cannot be easily overcome in the military as the structure allows for personnel to be brought in only at the entry level.

Hence, contracting out is driven by two, perhaps conflicting, agendas: the desire to cut costs, and the need to maintain capacity. Even the CDS has made plain these dual matters. General Henault writes that CANCAP, for instance, is designed to provide capabilities that may be missing or insufficient such that it "may not produce financial savings but I anticipate benefits in operational flexibility and on relieving pressures." Regardless of the tension between these two catalysts, the demand for accrued savings and acquiring needed capacity, their mutual effect is clear in current conditions: not only is the reliance on contractors by the Canadian military a current necessity, but the presence of contractors will likely increase well into the future.

It is plain that private actors and market dynamics cannot be easily wished away in Canadian military endeavors or in domestic policing. What is more, private ownership does not simply equate to private benefit or the protection of private property. The increasingly "public" nature of their activities, in light of their operations alongside public security sector actors and in areas key for the advancement of the public good, reveals that a public/private network that provides for the security of Canadians truly does exist. Significant matters for assessment, then, pertain to the new issues and challenges private actors represent, how the public/private network is managed, and to what effect. These are important factors in these uncertain and potentially dangerous times.

Contemporary Terrorism and the Commodification of Canadian Security

The terrorist activity instigated by al-Qaeda and other groups has been described as both postmodern and complex. For Walter Laqueur, the postmodern label applies because, unlike terrorist activities of earlier times, the guiding motivations and strategies of the terrorists are different. In particular, there has been a shift away from the earlier thinking about terrorism, espoused by analysts like Brian Jenkins: "Terrorists want a lot
of people watching, not a lot of people dead." The latter no longer holds. However, this lack of discrimination in terms of body count does not mean that those killed, injured, and otherwise affected have not been targeted. Obviously, the events that unfolded during the 1990s and into this century saw Western, Judeo-Christian individuals, institutions, and values targeted the world-over. Moreover, the fear, according to Thomas Homer-Dixon, is that industrialized societies are increasingly vulnerable to attacks due to their organizational and technological configurations. For Homer-Dixon, though an economic and infrastructure system of intricate networks and geographic concentrations, largely in the developed world, has led to unparalleled prosperity, it has also heightened the potential devastation that resourceful terrorists might release through a targeted attack. This terrorism is "complex" both in terms of the nature of the systems that might be targeted, and the ingenuity and technological prowess of the terrorists who would do the deed.

From the Canadian perspective, countering the postmodern and complex terrorist threat must take into account private security and private contractors. This is partially because of the sheer number of private actors. For instance, as recognized by Dennis Forcese, the average Canadian is now more likely to encounter private security than he/she would the public police in day-to-day living. But it is also because of the nature of the threat itself and how it pertains to security measures both within and beyond Canadian borders.

First, with respect to internal matters, private security can now be perceived not simply as contributing to law enforcement, but as contributing to national security as well. While Canada may not leave as significant a geopolitical footprint as the United States or other countries, it is, nevertheless, still a "complex" Western society in its own regard and one with substantial economic and infrastructure links with its neighbor to the south. Thus, in many ways, private security is found in the front-line against terrorism, whether it be in terms of prevention or immediate response. If a terrorist objective was to attack critical infrastructure (CI) in Canada, such as water supply, sewage treatment, communications, food supply, power production, transportation, and/or financial services, it is important to note that in many instances the responsibility for their physical protection rests in the hands of in-house or contracted-out security. Indeed, private security is crucial to national security because upwards of 85-90 per cent of all Canadian CI is owned and operated by the private sector. If a terrorist objective was to attack symbols of Western economic and industrial strength, one should recall that dozens of high profile "brand name" branch plants exist in Canada, that they are crucial to the country's economic well being, and that they are protected by private security. If a terrorist objective was to inflict massive casualties, it is key to be aware that private property that has considerable public access, whether it be office buildings or shopping malls, is generally guarded by a private presence. Given that the "War On Terrorism" is projected to be an ongoing concern well into the future, this speaks to the need to recognize that continued domestic vigilance involves privately owned assets and the accompanying private security given the potential negative and very public implications for Canadians.

In the internal/domestic realm, the terrorist threat also draws in the public/private relationship between the military and private contractors. For the first time since the Fenian threat of the 1800s, the Canadian military must confront a potential terrorist incident, such as a chemical or biological attack, within the country's borders. As a
result, one has to rethink current civil-military relationships. This draws in the vast array of private contractor relationships that would have to be relied upon should the CF have to respond to a terrorist incident in Canada and/or the implementation of the 1988 Emergencies Act. Indeed, such reliance would be acute given that the roles of private contractors within Canada are much more numerous than those involved abroad in light of private contractor presence in day-to-day operations, maintenance, and upkeep.

Additional special arrangements might also have to be made to backstop the in-house domestic capabilities of the CF. This was required for Operation ABACUS, the Y2K plan for military assistance to civilian authorities should elements of Canada's CI have failed. As noted by Macarena Barker and Pam Hatton, the "potential Y2K catastrophe during a Canadian winter required maximum availability of troops without committing them to tasks that could be performed by others." Thus, with the war on terrorism potentially coming to Canada, generally benign contractor relationships within Canada take on a new and substantially different significance.

That being said, contractor support would also likely be needed in the ongoing prosecution of the war against terror given that the CF's expeditionary capabilities in all its facets would have to be utilized: traditional peacekeeping, peace enforcement, intervention/warfighting, and peacebuilding. As the current operations in Afghanistan reflect, though this new form of terrorism may not have explicit state links and direction as it did in the past (i.e., with the likes of North Korea, Cuba, or Libya), terrorists still require a state, knowingly or not, to harbor them. Against these states, then, military resources can be brought to bear. As Canada does not possess substantial long-haul airlift or sealift capacity to bring personnel in and out of areas of operations in far away places, contractors become involved. Note, for instance, that in addition to Ottawa relying upon American military aircraft to facilitate Operation APOLLO, the government chartered Air Malaysia to bring Canadian troops back home from Diego Garcia via Guam to Edmonton. Additionally, contractors would likely become involved in response to the need for operational logistics and maintenance. Present policy is for the CF initially to deploy in-house capabilities, but for positions to be contracted out in order to relieve personnel burdens once the situation stabilizes and is no longer deemed a combat zone. In the end, contractors will be needed to assist the CF in prosecuting the war on terrorism, let alone in ensuring that the CF be a modern, task tailored, multi-purpose, globally deployable, and combat-capable force.

Put plainly, ensuring the security of Canadians given the characteristics and approach of al-Qaeda and other contemporary terrorist groups truly involves, and makes real, the public/private network both at home and abroad. The public/private network exists not only because of the increased private presence, the interaction between public and private actors, and the overlapping responsibilities in ensuring a key public good -- security -- but also because the nature of the terrorist threat makes such a network a necessity. But how well, given the necessity, does this network function, what are the difficult issues, and where and how can improvements be made? The article now turns to addressing these questions.

Issues of Concern

Private Security
Because private security plays a substantial role in ensuring the well-being of Canadians, both in terms of the number of personnel and the critical nature of what they protect as highlighted by the terrorist threat, some worrisome issues arise.

At present, the regulation of private security (i.e., the setting of employment standards, oversight, and training) is a responsibility of the provinces (and territories) dating back to 1867. Section 92 of the British North America Act grants provinces the duty to govern policing and property rights. But only two provinces, British Columbia and Newfoundland, require private security employees to meet minimum training standards. Other provinces and the territories target only certain sectors of the private security industry and generally only consider licensing criteria for the employers and their employees, such as their moral character, their financial position, and an absence of recent criminal convictions. Moreover, nowhere are there provisions stipulated for mandatory training upgrades. Finally, in all cases, the minimal guidelines that do exist apply only to contract employees; in-house security for shopping malls, office blocks, companies and the like, is exempt.

As for accountability mechanisms, they are different from those applicable to the public police and are not as substantial. On the one hand, perhaps it is to be expected that the complex array of police boards and public complaints commissions is commensurate with the fact that public policing is a manifestation of the state, personnel have extensive powers to deny liberty, and technically these personnel are to serve the public good. In contrast, private security is accountable to its clients rather than to political and administrative bodies. Indeed, provincial and territorial regulatory acts do not establish independent oversight mechanisms. Instead, private security is subject to market mechanisms whereby clients can "walk away" or make firings if they dislike the quality or nature of the service provided. Those who feel they have been abused by private security personnel have recourse to civil litigation. On the other hand, given the high volume of people in private places, the critical nature for Canadian society of many of the things protected privately, and the costliness and difficulties of civil prosecutions, the nature of this accountability would seem to be less than required. At present, then, provincial and territorial guidelines lag behind what is in the general public interest given the prominent place of private security.

True, there are avenues other than the strict categories of governmental regulation and marketplace pressures to ensure better quality, but they too have their limitations. For instance, while there is no national professional association to self-regulate the industry and create national standards, there are province-based bodies. Though useful in establishing minimum standards for recruitment, training, and operations, they are not binding, monitored, or enforced. Similarly, individual firms or provincial associations may indicate that they or their members follow guidelines as laid out by the Canadian General Standards Board or the International Standards Organization. But acceptance of these rules is, in the end, voluntary, and there are no mechanisms to ensure compliance.

Potential problems associated with the lack of these quality guarantees and consistent and effective training and oversight are made plain in the threat posed by terrorism. To continue, as asserted by Charles Sennewald, it "goes without saying that the process of risk identification, evaluation, and control in any dynamic organization, public or private,
requires constant attention by professionals who possess the necessary knowledge and tools to accomplish the task.” Yet in the highly competitive private security marketplace, not only are salaries often kept low, but training, for the sake of reducing overhead, is also frequently limited, if it occurs at all. The result is a high rate of turnover in the business coupled with a lack of know-how, two matters that affect the quality and diligence of private security activities as they relate to the design and administration of the necessary procedures and capabilities. This, in turn, presents vulnerabilities pertaining to three matters.

One matter is the need to augment the skills and capabilities of private sector first responders. The literature often notes the need only for public first responders to a chemical/biological terrorist attack (i.e., the police, fire, and ambulance services) to have adequate training and resources in order to assess the situation and respond appropriately. However, despite the fact that private security personnel may be the first on the scene, given their numbers and their presence in sensitive areas, little uniform attention by industry and government alike is directed at the issues of training, equipment, and standards in this regard.

A second and complicating matter is that the negative effects of ignoring private actors are compounded by the fact that these actors are frequently responsible for training and raising the security consciousness of others, such as management and other employees. They serve as trainers and educators. Moreover, this process of training and educating must be ongoing given changes in the types of threat and personnel turnover in other fields. However, if private security personnel themselves do not appreciate the significance of their position and do not have the appropriate expertise, it is unlikely that they will somehow improve the security consciousness of others.

The last of the three matters is that while much attention was directed toward the increased powers of the public police and potential civil liberties implications generated by the federal government’s anti-terrorism legislation, it is equally important to note the possible negative effects with respect to private security. From one standpoint, earlier surveys have found that private security personnel do not have adequate knowledge of the limits of their legal authority. From another standpoint, the judiciary is about two decades behind in dealing with the role of private security in contemporary Canadian society. The result, as Rigakos and David Greener note, is that the private security employee is not "held to the same degree of constitutional standards as a peace officer in relation to arbitrary detention, security of the person, right to counsel, and search.” Similarly, he/she can conduct surveillance activities and compile information databases in ways the public police cannot. Hence, there is a dual fear with respect to private security. On the one hand, the diligence of private security personnel may not be enough. On the other hand, excessive/uninformed diligence may lead to breaches of Charter rights.

The issues identified above are not to suggest that all private security is bad. Indeed, many security managers do aspire to a higher standard in their operations and in the qualities of their employees. Many, in fact, employ former state security sector personnel. Also, many employers of private security do approach their hiring with more than just the bottom line in view. But overall, the lack of general standards and oversight provided by
government points toward vulnerabilities in how Canadians are made secure in these particularly sensitive times.

**Military Contractors**

Clearly, the presence of private contractors in the CF's operations does pose a number of difficult issues related to the effectiveness of the public/private network. They concern the potential loss of capability with the introduction of market-based private actors. Furthermore, they are in some ways made more troublesome by the nature of the terrorist threat.

One issue is that even though Canadian policy is not to introduce military contractors into unstable environments overseas, deployments abroad, even long-standing and seemingly more stable ones, can be dynamic and often dangerous. This is surely the case for the contractor presence in Afghanistan and such concerns would seemingly apply to any international anti-terrorism operation involving the CF. Given the level of danger, this situation makes plain the fact that contracted personnel are not soldiers; they retain the right to terminate their presence unilaterally should danger, such as a chemical or biological attack, arise. Such a departure would precipitate an immediate loss of capacity and delays would be incurred as the military's replacements arrived, assuming that they were even available. Perhaps symptomatic of this situation is that in Afghanistan, personnel of SNC-Lavalin/PAE have demanded danger pay after arriving at Camp Julien in Kabul.

A related issue is the availability of "non-core" contractor support should the CF have to respond to a terrorist incident within Canada. This is because of the greater degree of private contractor presence based domestically and the implicit presumption within the contractual arrangements that Canada itself is not a war-zone. True, in the CF's Y2K response indicated earlier, private contractors were prepared to respond to an emergency. Note, however, that Y2K was largely a "technological issue" rather than a "people issue." Should the CF have to respond to an incident within Canada, and even if it took extra precautions, such as outfitting contractors with the appropriate equipment or providing them with vaccinations, there is no guarantee that the contractors would respond. Though the contractor firm would have to contemplate seriously the likely future loss of business with the CF, even then the firm, should it choose to act in response to a terrorist incident, would be largely limited only to the threat of firing individual employees who fail to respond.

An additional issue is that by entering into contractor relationships, the CF opens itself to the vagaries and incentives of the global marketplace. For instance, in order to obtain the necessary resources and to achieve savings, contractors will often sub-contract their requirements to other providers. The CF, however, is potentially exposed to issues related to different nationalities and to purely private disputes with an impact, nevertheless, on the military. For example, in August 2000, CF personnel had to board and take-over a cargo ship in international waters, the GTS Katie, which was holding "hostage" 10 percent of Canada's armored equipment and three CF members. The owner of the vessel, Third Ocean Marine Navigation Company of Annapolis, Maryland, was the sub-contractor for the Canadian firm SDV Logistics, which was sub-contracted by Andromeda Navigation Company of Montreal, the company initially tasked by DND to
return to Canada the CDN$223 million worth of equipment deployed for KFOR. Defence officials were initially unaware that the job had been subcontracted. The American company was withholding the CF's equipment due to a dispute over lack of payment with the Canadian contractor. Ottawa ordered CF personnel to take hold of the vessel in order to continue to fulfill other national security tasks at home and abroad, but in doing so, had to consult not only the United States, but also the ship's flag-holder, St. Vincent and the Grenadines.

A situation such as this highlights how Canada might be held "hostage" both to commercial interests and to those of states. Certainly, Canada was also fortunate to escape such problems in the Balkans in the late 1990s. In order to move Canadian equipment to the region, the CF relied upon contracted Antonov transport aircraft. Given that these aircraft were owned and operated by firms based in Russia and Ukraine, two non-NATO countries strongly supportive of Belgrade's position, Canada was lucky to be able to rent the aircraft and that the contract came to fruition. In fact, even disputes between NATO members can lead to problems with contractual arrangements. In September 2003, France grounded an Airbus 330 of the French firm Corsair that was contracted to fly British soldiers to Basra, Iraq. Though, officially, the aircraft was grounded for safety reasons, political motives are thought to have played a significant role given the divide between London and Paris regarding Iraq.

Thus, whereas nationality and loyalty are longstanding components of operational success, the introduction of contractors upsets this calculation. A final issue to consider is that in addition to a standing private contractor presence, the CF can also interact with contractors on an ad hoc basis. But, the issue of being put in harm's way aside, the nature of globalized industry is such that resources may not be easily or readily brought to bear when called upon. As Rhys Dogan and Michael Pugh asserted, "Well managed firms simply do not have fleets of contractually uncommitted aircraft, motor vehicles and highly trained personnel hanging about, unpaid." Whereas the military traditionally follows a just-in-case posture, manifest in such activities as mothballing and stockpiling, reliance on private contractors introduces a just-in-time posture. Such a shift in thinking poses obvious potential difficulties for the timely arrival and effective operations of the CF at home and abroad.

In sum, though the CF's reliance on contracting may be to enhance its readiness and sustainability, the risk also exists that private contractors operating in a global market and a dangerous world, may, in fact, detract from that readiness and sustainability. From one perspective, searching out comparative advantages via reliance on the global marketplace through outsourcing, in theory, exposes DND to high quality services and products in order to fulfil the CF's needs. From another perspective, such an approach also exposes DND to the commercial marketing considerations and internal policies firms need to follow in order to survive, to compete, and to accrue profit in the global marketplace. The negative effects of such exposure highlight the lack of sufficient redundancy, or even capability, in the CF, matters of importance in prosecuting the war on terrorism.

Changes and Challenges

Private Security
Implementing the changes in the Canadian federation for the needed regulatory oversight will be a complex task of balancing and delegating duties and responsibilities. In the first instance, it does, obviously, involve reversing the generally laissez faire approach followed to date. Certainly, this is not impossible to imagine because Canada has not gotten out of the security business. It is still a provider as is shown by the mobilization of state resources in response to the terrorist attacks. Thus, it can also be a manager.

Nevertheless, controversial issues are still at play. While the federal government might be able to set a higher and nationally consistent level of regulatory scrutiny and demand the acceptance of a comprehensive training doctrine, the fear of the overbearing "Big Brother" looms with such a unilateral imposition. Provincial governments might resist a dictatorial intrusion into their constitutionally designated responsibilities, even though the role and impact of private security has now changed. Moreover, it might be perceived as a precedent setting act, one that potentially leads to more federal intrusions into the provincial sphere. "Private" interests -- private security firms and those that hire them -- might also resent unilateral acts made by government. Additionally, there is the delicate issue of costs. What body would bear the costs for licensing, training, and the ongoing monitoring of standards? What body would implement these tasks? Too great a responsibility taken by government, federal or provincial, might greatly overtax the public purse. Too great a burden placed upon private actors might affect their commercial viability. Thus, even before 9/11, the challenge was identified in a general context: "What needs to be explored . . . is how, in a market economy, governmental mechanisms can be put in place which ensure that public interests are protected in security networks composed, in part, by commercial elements." Today, in Canada, since the presence of private security is so great, the areas it protects so critical, and the potential consequences should a terrorist incident occur so tragic, the need to think of the provision of security in a more holistic fashion is clear.

It is beyond the scope of this article to conduct the substantial task of indicating each and every necessary ingredient of an improved and all encompassing regulatory regimen and the exact standards to be enforced. Instead, in a complementary manner, it is important to note possible paths to follow and issues that might be encountered in order to realize holistic regulation. First, at the national level, the federal government could lead by example. To a certain degree, this is already occurring. In March 2002, the federal government, under the specific authority of Transport Canada, formed a new crown corporation, the Canadian Air Transport Security Authority (CATSA). Among its other responsibilities, CATSA is to develop a certification program for airport security screeners, the bulk of them being private security employees. Though still relatively untested, CATSA is also to monitor the performance of the private personnel.

But it is necessary that the federal government also consistently monitor performance in other areas; standards alone cannot suffice. Present policy, for instance, indicates that to ensure a higher level of quality, private security personnel directly employed by the federal government are to be trained to the standards laid out by the Canadian General Standards Board. However, while these standards might help ensure that personnel receive higher pay and a better level of training, the federal government does not have a mechanism to guarantee that those standards have actually been met and maintained. Therefore, as part of ensuring consistent and higher standards across the country, greater
diligence in monitoring existing standards at this level is needed. This is required for the federal government to show that it takes them seriously in order to make better the case to the provinces and the private sector.

Second, nascent mechanisms exist through which the federal component of the partnership for private security regulation could be nurtured. In February 2001, the federal government created within DND the Office of Critical Infrastructure Protection and Emergency Preparedness (OCIPEP), the successor to Emergency Preparedness Canada. This office is particularly responsible for promoting the cyber security of Canadian CI and for enacting measures to respond to natural disasters. Yet it also possesses attributes which could potentially allow it to take on a substantial role in ensuring the effective and appropriate operations of private security actors: first, it is a body designed to form partnerships and to facilitate cooperation between the federal and provincial governments and with the private sector; second, security concerns pertaining to CI do not always pertain solely to cyber issues; third, private security deals with both the physical protection of CI and responsibilities that affect large numbers of Canadians on a daily basis; and fourth, OCIPEP provides annual training to nearly 2,000 individuals, from government and business alike, at the Canadian Emergency College in Arnprior, Ontario. While presently limited in its approach, the body has the potential to deal with important issues as they relate to private security, regulation, and terrorism and to serve as the focal point for federal leadership on these matters.

At the provincial level, greater legislative attention and scrutiny toward private security than what has been exhibited in the past will be required. This means a shift away from a general hands-off approach toward private security and a rethinking of the role it plays. What is more, this means a recasting of priorities in preparing to counter terrorist incidents. While provincial officials demanded more money and direction from the federal government in the wake of 9/11 to pay for enhanced security measures (a point which itself speaks to a space that might be allowed to the federal government in provincial affairs), their priorities were largely centred on improving public assets and actors. In the case of Ontario, for instance, upgrades in funding and expertise were predominantly directed at what are perceived to be the primary responders to and protectors from a terrorist incident: public fire departments, police organizations, and ambulance services. While these public actors are obviously not unimportant, enhancing the quality of their efforts should be coupled with improving those of private ones.

There is some initial base upon which to expand. In the Ontario example again, the Emergency Readiness Act has a provision for the provincial government to develop emergency plans with the owners and operators of large buildings. Similarly, it contains directives that could potentially reinvigorate the province's responsibility regarding private security: "The new legislation would also require that . . . every minister of the Crown, who has been assigned an area of responsibility, and every designated agency, board, commission and other branch of government develop and implement emergency management programs and exercises, public education and any other element prescribed by regulation." Acting upon such directives would have to apply to contracted and in-house security equally. This is because regulation directed only at contracted security might push consumers to develop their own in-house organizations, a currently unregulated portion of the private security industry. Also, acting upon these directives
would have to acknowledge from the outset the challenging balancing act between promoting transparency on the one hand and protecting confidential proprietary information on the other.

Finally, perhaps the most substantial challenge to consider rests with the industry itself. From one viewpoint, it is plain that the industry, privately contracted firms and in-house security alike, will not uniformly rise to regulate its own activities. Indeed, it is fairly certain that even in the wake of the 9/11 attacks and the threats issued by Osama bin Laden a year later, universal industry-imposed regulation is unlikely. This is because competitive impulses, the pursuit of profit, and divisions between the different types of private security providers have historically diluted any zeal for the self-implementation and enforcement of uniform standards. From another viewpoint, it is also difficult for the industry to speak with a united voice regarding the creation of government regulations and the proportion of the expenses the private sector will incur. Note again, there is no national professional body that can speak for the industry as a whole. Thus, the impetus rests with smaller provincial bodies, unions, and hundreds of individual firms and consumers to somehow devise a coherent stance towards regulation. These factors, then, speak to the even greater need for governments, federal and provincial alike, to be a necessary catalyst for successful regulation to come about.

Military Contractors

On the military side of the equation, more rigorous governmental attention is also required, but here too there are limits to the degree that difficult issues can be resolved. To expand on this, greater attention must be directed at the considered development and diligent monitoring of contractual arrangements to ensure that the CF is provided with the maximum amount of flexibility and surge capacity. On one front, this entails that DND stay abreast of subcontracting endeavors. Stipulations in the contracts might be made that subcontracting should not occur, or alternatively, if it did, that a Canadian company be selected. Perhaps only Canadian firms should be contracted in the future. The tradeoffs, of course, are obvious. While mitigating some negative consequences, an action like this might also reduce the commercial desirability of a contract or it might face barriers in the fact that there may not be an adequate all-Canadian capacity to respond. NAFTA stipulations would also pose problems.

On another front, contracts should be devised to ensure that the contractor response is effective when and where it is needed. Problems have indeed been found in earlier contracting efforts. For example, DND had to make 33 amendments to the contract governing the large-scale privatization of operations at CFB Goose Bay. In addition, a recent audit of DND contracting practices found that regulations were often breached and that oversight and management suffered to the degree that it was impossible to determine, globally, the number of contractors the department employs and how long these arrangements have been in existence. Even military officials have recognized the problem, particularly in response to frictions that exist between CF and ATCO-FRONTec personnel: "We need a better vision on how Frontec is supposed to operate, the contract needs to be more flexible, human resources selection needs to improve, and the civilian employees need more training before working in theatre . . . . Our long-term needs have to be addressed on the contracts. We are now in the window to take the next
step, to make it better." In the end, the words of Kim Nelson ring true in the Canadian context: "The art and science of writing contracts will become extremely critical to ensuring flexibility, sustainability, and survivability."

While more precise contracting arrangements might mitigate some problems, others, due to the differences between public and private approaches and responsibilities, will undoubtedly remain. Again, a contractor presence cannot be guaranteed. In the case of ATCO-FRONTEC in Bosnia, the attrition rate of civilian workers was 68 per cent in 2001, and that was for reasons related more to the terms of the contract and the conditions of employment, than it was toward any life-threatening dangers. The loss rate was so high that the CF was forced to make last minute postings, thus further contributing to, rather than relieving, over-stretch. Additionally, should Ottawa attempt to commandeer private resources, it would likely come across three problems: a difficulty in controlling non-Canadian owned assets; a reduced amount of resources should it only be able to control Canadian assets; and a limited ability to bring those Canadian resources to bear given the global, just-in-time structures characteristic to many firms. Inescapable, then, are factors concerning contractor obligations, Canada's own limited resource base, and the global market policies of firms.

As a result of these findings, before contractual obligations are even considered, thinking must be directed toward not simply what can be privatized, but rather toward what should be privatized given the potentially negative effects of contracting. In making this statement, it is nevertheless recognized that the CF, due to its limitations in manpower, has been forced to accept a substantial amount of risk by turning to contractors. Therefore, in determining what should or should not be privatized, core and non-core distinctions are difficult to make in light of the importance of the contractor presence and the nature of the terrorist threat at home and abroad. Instead, a reasoned assessment must be made of what fields or regarding what resources the CF is willing to accept the most risk. This looks at the significance of each potential contractor presence and, in a related manner, the ready availability of other resources, both in-house and private. Such an approach would take into account existing assets and manpower base and would affect future capital acquisition and targeted recruiting endeavors. It might also bring about increased expenditure on the armed forces based not upon what the military simply needs, but rather upon what it can ill afford not to have under its control. In the Canadian case, military contractors cannot and will not be wished away, but steps might be taken to manage better the effectiveness of the public/private network for the sake of the security of Canadians.

CONCLUSION

It is evident that the distinction between "public" and "private" is not easy to make in the Canadian security milieu. While ownership remains "state" or "non-state," the benefits of a private presence are now more important and diffuse. This point is made particularly plain in the aftermath of the 9/11 attacks. Privately owned and directed personnel working on private property, such as certain types of CI or "private" gathering spaces, serve a goal that is in the public's interest. Also, private assets and personnel are employed by public security sector elements to carry on with their tasks. In fact, because of the prominent place private actors now hold in terms of their numbers and their responsibilities, they must be viewed alongside the publicly owned and funded security
sector instruments as key elements in the provision of security for Canadians.

At the same time, however, such an introduction of private actors with their own unique operating dynamics, structures, and pressures, requires a rethinking of not only who provides security for Canadians, but also how they are organized, directed, and to what effect. At present, legal structures and legislative guidelines lag behind. As well, government needs to come to terms with the fact that, in some cases, even more diligent and precise regulatory and contractual scrutiny will not overcome fundamental differences between contractually employed personnel and those that have taken an oath of service. Instead, the issue is one of thought directed at lessening exposure to risk. Additional resources will be acquired and limitations will have to be contended with in order to come to terms with how Canadians are now made secure.

In the final analysis, this article can be deemed a dual exploration. At one level it has documented how private actors are key components in prosecuting the war on terrorism against al-Qaeda and other groups. At another level, it has made plain how private actors help to form a network with public actors in order to secure Canadians. This network is not a completely dysfunctional one, but its evolving nature and the different interests and approaches of public and private actors are such that greater effort is needed to reduce vulnerabilities and to promote security holistically. Without a doubt, one can return to the first level; directing resources and attention at this effort would be valuable in protecting Canadians from terrorism.

Endnotes

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2. This endeavor is strictly directed toward the important issues of how and to what effect private actors "on the ground" are involved in ensuring the security of Canadians and in countering terrorism. Though important subjects, this analysis will not consider matters such as cyber security and the issue of equity in the provision of private security.


5. For this study, policing refers to a social function rather than to a government-funded
organization -- the police. As defined by Trevor Jones and Tim Newburn, policing is "organised forms of order maintenance, peacekeeping, crime investigation and prevention and other forms of investigation -- which may invoke a conscious exercise of power." Trevor Jones and Tim Newburn, Private Security and Public Policing (Oxford: Clarendon Press, 1998), p. 18.

6. For analyses employing different ratios, see Robert J. Gerden, Private Security: A Canadian Perspective (Scarborough, ON: Prentice-Hall Canada, 1998); and George S. Rigakos, "Hyperpanoptics as Commodity: The Case of the Parapolic," Canadian Journal of Sociology 24, no. 3 (Summer 1999), pp. 381-409. More liberal counts include a wider range of professions, including "in-house" security officers, vault manufacturers, alarm specialists, detectives, forensic accountants, and locksmiths.


15. Another matter of importance with respect to contracting is that technology has frequently advanced far beyond a military's ability to train support personnel. At present, this is a far more prominent issue for armed forces, such as those of the United States, but it could very well become a significant issue for the Canadian military in the future.


18. There are contentions, however, that while savings may be achieved, they are not being reinvested in the military, let alone in the designated areas. See, for instance, Doug Bland, "Funding Canada's Defence Policy," Research Paper, Council for Canadian


32. Citation taken from Brian M. Jenkins, "Will Terrorists Go Nuclear?" *Orbis* 29, no. 3 (Autumn 1985), pp. 507-16.


35. The author wishes to thank David Goldberg for identifying this point.


38. Barker and Hatton, "Contractors in Support of Operations," p. 1. ATCO-FRONTEC Logistics Corporation was called upon to establish a contingency logistics contractor capability involving the provision of troop transportation, catering, water and electricity, laundry, showers, cleaning, building maintenance, and refuelling services.

39. Prime Minister Chrétien asserted that, with respect to airlift, the only other option for Canada other than relying upon the United States would be to lease aircraft from the international marketplace. The prime minister's assessment received some support from the official opposition. Robert Fife, "Forces Ômay as well rent': No need for planes while U.S. is there to help, Chrétien says," *National Post*, 19 March 2002, (www.nationalpost.com).


41. Operators of in-house security often suggest that their services are of a higher quality than contracted, third party private security due to better working conditions, benefits, training, employee selection, and supervision. Studies, however, have found that in many cases in-house security personnel did not have adequate training, were not subjected to background checks, and did not operate under appropriate supervision. See, for example, British Columbia, Ministry of the Attorney General, *Commission of Inquiry into Policing in British Columbia: Final Report* (Victoria, BC: Ministry of the Attorney General, 1994), p. F15.


43. There is the additional matter of union labor regulations. In Quebec, in particular, the province's "decree" system mandates that wages and other negotiated conditions become binding on all security companies, unionized or not. Quality is then hopefully improved and competition will occur on an even footing. However, measures such as this do not apply to in-house security. United Steelworkers, "Securing Our Future: Regulating, Training and Licensing in the Security Industry," October 2001, (www.uswa.ca/eng/policies/secpolicy.pdf).


50. Ibid, p. 151. Canada's Charter of Rights and Freedoms does not apply to interactions between two private individuals.


52. See, for instance, James Cudmore, "Support Services Contracted out by the Military," *National Post*, 9 June 2000, ([www.nationalpost.com](http://www.nationalpost.com)).

53. In the American context, a Pentagon report issued in the mid-1980s estimated that, should contractors be subject to a biological or chemical attack while on duty, there would be a resulting 30 per cent drop in worker availability and effectiveness. This number was calculated on the basis that the contractors had the appropriate equipment and training to return to the contaminated areas. Noted in Kim M. Nelson, "Contractors on the Battlefield: Force Multipliers or Force Dividers?" Air Command and Staff College, Air University, Maxwell Air Force Base, Alabama, April 2000, p. 13.


55. This distinction is made in Paul Taylor, Financial Times Corporate Security Survey, *Financial Times*, 11 April 2002, ([globalarchives.ft.com](http://globalarchives.ft.com)).

56. ARA Free Press, 13 August 2000, ([home.earthlink.net/~araplans/08132000.html](http://home.earthlink.net/~araplans/08132000.html)).


60. The issues of nationality and loyalty are noted in Rhys Dogan and Michael Pugh, "From Military to Market Imperatives: Peacekeeping and the New Public Policy," Plymouth International Papers No. 8, International Studies Centre, University of Plymouth, July 1997, pp. 24-5.
61. Ibid., p. 21. The authors point out that even seasonal variations come into play. Many aircraft, for instance, are chartered to facilitate the delivery of Christmas gifts, thus placing the squeeze on those who require the aircraft for other purposes. Note 57, p. 21.


64. It should be made clear that private security personnel are not government employees with the development of CATSA, a point hotly debated by unions largely on security grounds. The Public Service Alliance of Canada (PSAC) contends that airline security should be federalized and nationalized in order to ensure uniform standards and quality control at the country's airports. In contrast, the United Steelworkers argues that, although the national government should intervene to a certain degree, the execution of airport security should ultimately remain in private hands. Stephen Thorne, "Union cites poll, calls for federally employed airport security force," *Canadian Press*, 21 January 2002, (www.cp.org); United Steelworkers, "Securing Our Future."


73. Michitsch, "Armed Forces' civilian program hits snags."