PSD User Manual and Coding Scheme[1] (Last Update August 2011)

Željko Branović

1. Introduction

The Private Security Database (PSD) was initiated and implemented under the umbrella of the research project "Privatization and Commercialization of Security", which is part of the Collaborative Research Center "Governance in Areas of Limited Statehood" in Berlin. It collects data on the use of *Private Military and Security Companies* (PMSCs) by public actors (governments and international organizations) in *failing or collapsed states*, and asks in general who consumed what kind of private security. The data are focused on a specific set of countries that experienced episodes of political instability – as defined by the Political Instability Task Force (PITF) – in at least one year in the period 1990–2007.

The data are unique: to the author's knowledge PSD is the first data-gathering project on the use of PMSCs. This is not to say that there have been no attempts to do so. Chojnacki et al. (2009), for example, collected data on mercenaries in civil wars 1950–2000. Yet there are significant differences between this sort of data and the information collected by the PSD. Whereas Chojnacki et al. (ibid.) focus on civil wars but exclude episodes of non-war, the PSD covers the entire time period under observation, whether political instability took place or not. Another major difference is related to the measurement of the activities of private actors. Using a binary indicator that captures cases in which mercenaries are involved in combat, Chojnacki et al. (ibid.) exclude activities such as training and armed logistic security detail from their analysis. In contrast, the PSD is prominently interested in all sorts of services provided by the commercial sector, including combat and non-combat-related tasks. Another data source is provided by Musah and Fayemi (2000). The authors offer an annexe with a data table on the use of private security on the African continent. Unfortunately the information is limited to Africa and reporting ends in 2000.

Even though the PSD offers a new basis for data analysis it does not claim to cover all instances in which PMSCs were used by public actors. The data gathering builds on specific conceptual blocs and makes use of public accessible sources. Consequently PSD cannot account for contractual relationships that were kept secret and where not reported to the public. The PSD-project aims at creating a solid basis for further data collection projects and is open to extension of any kind. Yet, the project is confident that the current data content can be used for representative analysis of the main trends and patterns of private security consumption by public actors in failing or collapsed states.

2. The Sample

The data presented here are focused on a specific set of countries that experienced state failure or even collapse in at least one year in the period 1990–2007.

To identify these countries the PSD-project makes use of three main variables of the Political Instability Task Force (PITF) database (http://globalpolicy.gmu.edu/pitf/): MAGEREA, MAGFAIL, and MAGVOIL. The sample size is composed of countries that displayed the

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highest characteristics (4) in at least one variable and in at least one state-year constellation. The PSD particularly focuses on hard cases of political instability. To identify those states, the PSD selects all PITF cases that either begin in 1990 or start before 1990 but range inside the period of observation (1990–2007) and have the highest values on the variables MAGAREA[2], MAGFAIL[3] and MAGVOIL[4]. Since the variable MAGAREA indicates the percentage of territory that is affected by war (ethnic or revolutionary), it can be assumed that state institutions are apparently not able to guarantee overall security (that is, the absence of physical violence) in defined parts of a state's territory. Hence MAGAREA pictures the *territorial control of violence*. MAGFAIL indicates by whom the disputed territory is controlled, i.e. who manages and controls the institutions that coordinate society. The higher the values in the variable, the more the state loses *control over governance institutions*. Finally, MAGVOIL indicates to what degree the state is challenged by other actors, i.e. how intensively and expansively violence is used to challenge state authority. The higher the values in the variable, the more *challenged the state* is *by other violent actors*.

The sample is composed of those states that display highest values (= 4) on these three variables in at least one state-year constellation (Table 1).[5] These states are observed for the entire investigation period, 1990–2007, even if they only experienced one year of collapse.[6]

Table 1: Sample of failing states

Afghanistan	Croatia	Nigeria
Albania	Ethiopia	Peru
Algeria	Georgia	Philippines
Angola	Guatemala	Rwanda
Azerbaijan	Guinea-Bissau	Sierra Leone
Bosnia	Iraq	Somalia
Burundi	Côte d'Ivoire	Sudan
Cambodia	Lebanon	Tajikistan
Colombia	Liberia	Uganda
Congo-Brazzaville	Mozambique	Yugoslavia (Serbia + Kosovo)
Congo-Kinshasa	Nepal	

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[2] 'Code based on source materials about how much of the country is directly or indirectly affected by fighting or political protest in a given year. A province, region, or city is "directly affected" if fighting/terrorist attacks/political protest occur there at any time during the year. It is "indirectly affected" if the area has significant spillover effects from nearby fighting, for example refugees flows, curtailment of public services, martial law imposed. If open conflict expands or contracts during the course of the year, code according to its greatest extent.' (Marshall et al., 2009: 9)

[3] 'This scale refers to situations in which the institutions of the central state are so weakened that they can no longer maintain authority or political order in significant parts of the country. Evidence includes shut-downs of routine government services, failure of security forces and administrators to carry out any government directives, and anarchic conditions in large parts of the country, with rival militias, warlords, or local or regional authorities attempting to establish autonomous zones of government. Scores on this variable often will change from year to year during a political crisis, as the balances of power and authority shift between the central government and its challengers.' (Marshall et al., 2009: 12)

[4] 'This scale records the extent to which the contenders for state power during an adverse regime change use armed violence against the state. The coding on this scale will often change during a multi-year regime crisis.' (Marshall et al., 2009: 13)

[5] Not surprisingly, in most cases the three variables are positively correlated with one another.

[6] This approach allows analysis of the conditions before collapse and the subsequent political developments.

Nearly half the observed countries in the PSD are located in Africa (Table 2), followed by Asia and Europe: the numbers for the latter are mostly due to the collapse of Yugoslavia and related emergence of new sovereign states such as Croatia and Bosnia.

Table 2: Regional distribution

Region	Instances	%
Americas	3	9
Europe	5	16
Middle East	2	6
Africa	15	47
Asia	7	22
Total	**32**	**100**

3. Conceptual Background and Variables

3.1 The Supply Side: Private Military and Security Companies

The question of how to typologize companies active in military and security affairs has gained much attention. The literature suggests a differentiation between two types of companies: Private 'military' companies/firms are defined as private companies providing offensive services designed to have a military impact, whereas the term private 'security' company refers to companies offering defensive services, designed to protect individuals and property. However, this distinction is not without problems. What is perceived as a defensive service in one set of circumstances may well turn out to have offensive repercussions in another. Besides this, many firms adapt quickly to changing environments and offer security and military products at the same time. For practical reasons, the PSD-project therefore eschews the distinction made between military and security and uses the term Private Military and Security Companies (PMSCs) to denote all companies within the industry.

Private Military and Security Companies are thus defined as private business entities that deliver to consumers a wide spectrum of military and security services. They are commercial, benefit-oriented companies, which need to fit the following criteria:

- market-oriented logic of action (economic; business-management)
- high degree of professionalization (official headquarter, business structure, trained military staff)
- organized under private law
- legal body/legally registered

Since a lot of companies offer quite a broad array of products and services, the main challenge is to differentiate these companies from other strategically relevant industries (reconstruction and extraction, defense). Furthermore they have a broad client base ranging from governments, IOs to Multinational corporations and Non-Governmental Organizations (NGO). Since the PSD mainly focuses on public outsourcing to the private sector three additional criteria are central:

- The contracted task is related to the process of *implementing internal and/or external security policy* goals by states and/or IOs.
- The *contracted task* has to be *equivalent to tasks usually provided by military or policing* organizations.
- The *use of private human resources* is taken as a discriminating criterion to differentiate between the privatization of the production of military goods (like weapons) and of military and security services. Consequently, services like the maintenance of weapon systems by private employees are treated as a *task* whereas the supply of weapons or related dual use goods is excluded.

3.2 The demand Side: Public Actors as Clients

Today, the demand side of the market for protection and force is composed of private and public actors. In failing states transnational corporations and non-governmental organisations hire PMSCs to protect their property, investments and humanitarian missions. Although these arrangements are an integral part of the overall security architecture in weak or collapsed states, the PSD collects data on public-private contracts.[7] Beside practical reasons of data access restriction, this approach was chosen in analogy to the fact that the privatisation of security is mainly discussed as a shift from the public to the private sector. Public actors contain government agencies, other state organisations or international organisations. Focusing on such delegation processes by public actors, two logical combinations have to be taken into account.

- A public actor (e.g. a weak government) delegates tasks to PMSCs on its own territory (*intern-intern constellation*).
- Security tasks are delegated by an external public actor to PMSCs on the territory of another failing state (*extern-intern constellation*).

3.3. Basic Unit of Analysis: Aggregated Contractual Relationship

The database aims at surveying instances in which public actors hired PMSCs in countries that experienced episodes of political instability in at least one year between 1990 and 2007. At first sight, it seems obvious to use single contracts between a client and a contractor as the unit of analysis. However, since information gathering on single contracts (contract variant) is hampered by complexity and information access, in its basic structure the PSD is composed of data about the *aggregated contractual relationships* between a Client and an open number of Companies handling a specific Task in a specific Location.[8] This event based unit of analysis is defined as every constellation in which the variables CLIENT, LOCATION, TASK and FOR CLIENT and/or FOR THIRD PARTY are constant but the variable YEAR varies, i.e. a single event is composed of an event-time series which indicates the duration of an aggregated contractual relationship (cf. Table 3). It follows that any evidence of change in the variables CLIENT, LOCATION and TASK as well as FOR CLIENT and/or FOR THIRD PARTY constitutes a new event.

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[7] We treat public actors as the sum of all institutions and bodies of states and international organisations.
[8] In contrast to the contract variant, this information can be obtained from articles, newspapers and reports.

Table 3: Aggregated Contractual Relationship*

Client	Location	Year	Task	For Client	For third party	No. of firms
USA	IRQ	2003	4	1	0	3
USA	IRQ	2004	4	1	0	5
USA	IRQ	2005	4	1	0	7
USA	IRQ	2006	4	1	0	5
USA	IRQ	2007	4	1	0	8

*This is just an example, not real data.

Consequently an *aggregated contractual relationship* is a configuration of variables (event) that covers the contract partner, the supplied task and the location, and finally where and by whom services are consumed. The applied coding procedure takes this definition as a starting point, and collects data on the variables described below. For example, Table 3 displays an event that lasts from 2003 to 2007. During that time the United States hired PMSCs to perform logistic support functions in Iraq. For the years 2003–2006 three companies provided that function for the USA; in 2007 the number of companies rose to six. For any new client, location or function a new event would enter the database.

3.4. Variables

Client and Location
The database starts with coding CLIENT. It clarifies which public actor (CLIENT) hired companies for the provision of specific security services in a defined Location. Further, it assesses whether the task is provided across borders (transboundary). In such cases, further countries are coded by the variable TRANS.

Task
The main variable under observation is the use of PMSCs in failing states, which is labeled as TASK. It is measured with a 12-point scale, which covers most services provided by PMSCs (Table 4). The scale is sensitive for different military and security tasks and allows for variation in the degree of outsourcing. Due to its conceptualisation, it can be used in analogy to the *tip of the spear logic* (Singer, 2008: 93, Figure 6.2) as well as a scale of organic core functions of military and policing organisations.

Table 4: The task variable

Scale	Task	Description
1	*Combat and military operations*	Armed private actors are directly involved in military operations and fighting
2	*Military assistance*	Private actors provide military training and consulting (e.g. tactics) to parties
3	*Operational support*	Private actors operate and/or maintain combat-related goods (e.g. weaponry, satellites) and/or fulfill certain functions in the command and control chain
4	*Logistics support*	Transportation of soldiers and/or combat-related goods
5	*Intelligence*	Private actors provide risk assessments, reconnaissance or translation services and/or are part of interrogations[9]
6	*Quasi-police tasks (prevention) and border patrol*	Private actors provide services that would usually be ascribed to the police, including the safety of public places and/or protection of state and local borders[10]
7	*Security/protection (individuals and facilities)*	Private actors provide (mobile) security for individuals and/or facilities; this task refers to protective services details
8	*Police advice and training*	Similar to military assistance, private actors provide training and/or consulting to police forces
9	*Demining*	Military and humanitarian demining for the destruction and removal of land and/or naval mines
10	*Humanitarian aid*	Private actors provide armed material or logistical services for humanitarian purposes, such as transportation of food in crisis zones
11	*Weapons disposal/destruction*	Deinstallation, destruction and disposal of warfare-related goods and facilities
12	*Facility and infrastructural build-up*	Private actors construct and build military infrastructure such as military bases

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[9] The term 'intelligence' is often used very broadly to denote many different activities related to information gathering. Here the term is used in a narrower sense, including the collection of information that is not intended to be made public (Herman, 1996: 61–81) and as an analytical product of intelligence agencies, best understood as a risk assessment intended to guide action (ibid.: 111–112).

[10] This task is related to the safety of public spheres, and is differentiated from security and protection which are bounded to individuals and property.

Based on the closeness to the battlefield conceptualisation of Singer (ibid.), the scale can be aggregated to quasi-capture the distance to core and non-core governmental functions. For example, it might be assumed that tasks 1–3 fall very close to inherently governmental functions, since they comprise constitutive war-fighting activities. If war fighting is taken as the discriminating criterion for governmental functions (in this example for the ministry of defense), tasks 4–12 display a higher distance from core functions. However, since it is reasonable to argue that intelligence – especially for war-fighting purposes – might be thought of as a core function, this classification can only be hypothetical and should be modified according to the research question that is to be answered using the data.[11]

For Client and For Third Party
In contractual relationships it is not necessary for the client to consume the services it is paying for. Hence different possible contractual relationships are to be taken into account, in which services are not provided for the client but for a third party.[12] Assume, for example, that the USA is financing a training programme designed to build up Afghan police units. In this case the task is in fact supplied to a third party, although financed by the USA. By differentiating whether the (external) client consumes the services itself (FOR CLIENT) or simply pays for consumption by another internal state (FOR THIRD PARTY), the *active* and *passive* uses of private security are covered.

Number of Companies
As mentioned, the PSD contains data on aggregated contractual relationships. The difference to the contract variant is that every further company that provides a specific task for a client is counted with the aggregated Number of Companies (NOFIM). Consequently, a company may have more than one contract related to the provision of a task in an event, as long as there is no time lag in the event-time series. Furthermore, it assesses how long a company is active for a client; in other words, as soon as a company is not active for a client any more, the NOFIM decreases by one unit. As long as at least one company provides a task for a client – without variation in the other constitutive variables of an event – the event-time series proceeds.[13] It is important to bear in mind that NOFIM is not an indicator which can be aggregated to display the overall number of companies in a given country. For instance, the same company may have provided different tasks to the client. Due to legal issues the company names are not made public. Researchers that want to differentiate the data by companies are asked to contact the project investigators.

3.3 Data-gathering strategy

Data collection on the private provision of security is challenging, as clients and companies treat information on their contractual relationships cautiously. The major challenge most researchers face is to find and evaluate sources in regard to their information quality. Since the idea of contractual relationships is applied instead of analysing single contracts, the PSD

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[11] For a discussion about core and non-core functions in Western militaries see Petersohn (2008).
[12] For example, an external client can hire a company to train the military personnel of another country. In this situation the variables Client, Location and Task are constant, but the variable For Third Party varies.
[13] A new event with the same characteristics on the constitutive variables for an event emerges only if there is a time lag of one year for which we do not find evidence.

can use reported instances of outsourcing to code the information. This is done based on a four-step data-collection strategy and different available sources.

The data collection started with summarising reported and studied cases offered by the literature and company homepages.[14] Since validity and reliability are crucial, the events were cross-checked with other sources before insertion into the database.[15] Secondly, LexisNexis[16] was used to search in all available English news sources, including main international newspapers like the *New York Times*, the *Washington Post*, *The Guardian*, *The Times* (London), *Newsweek*, *The Financial Times*, *The Economist* and *Time* magazine. While searching the news articles, different keywords were evaluated and finally systematised along a specific configuration.[17] Thirdly, the gathered data were supplemented by information received by news services (Alertnet, IrinNews, CrisisWatch database, Human Security Gateway, BBC Monitoring), and regional internet gateways (AllAfrica.com, Africa Confidential, Reliefweb).

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[14] Despite their cautiousness, some websites serve as a good starting point for data collection. See for example the websites of ICI Oregon (www.icioregon.com/) and ArmorGroup (www.armorgroup.com/).

[15] The reliability criterion requires that evidence for an event is reported by three independent sources before it is inserted as a *consolidated event*. As long as this criterion is not fulfilled, all information on possible events is treated as *hints*. Currently the list of hints encompasses as many events as the consolidated list, indicating that the overall number of events will increase in the future.

[16] LexisNexis is a provider of comprehensive information in a variety of areas: legal, risk management, corporate, government, law enforcement, accounting and academic. It gives customers access to 5 billion searchable documents from more than 32,000 legal, news and business sources. See www.lexisnexis.com/.

[17] The configuration is 'military contractors OR security contractors OR military firm OR security firm OR military company OR security company OR military agency OR security agency OR military outsourcing OR defen! outsourcing OR mercenar! AND privat! AND [country of interest]'.

Table 5: List of Variables

Name	*Description*
ID	ID number
CLIENTSC (SCODE)	Client Code Based on COW state abbreviation
CLIENTCC (CCODE)	Client Code Based on COW state number
LOCSC (SCODE)	Location Code Based on COW state abbreviation
LOCCC (CCODE)	Location Code Based on COW state number
TRANS	1 = transboundary [If the task is provided between state boundaries] 0 = non-transboundary . = not ascertained / missing
TRANSSC (SCODE)	Transboundary Location based on COW state abbreviation [9999 if missing]
TRANSCC (CCODE)	Transboundary Location based on COW state number [9999 if missing]
YEAR	1990 – 2007
TASK	[1] Combat and military operations [2] Military assistance [3] Operational support [4] Logistics support [5] Intelligence [6] Quasi-police tasks (prevention) and border patrol [7] Security/protection (individuals and facilities) [8] Police advice and training [9] Demining [10] Humanitarian aid [11] Weapons disposal/destruction [12] Facility and infrastructural build-up
FORCLIENT	1= Yes [Client is consuming task himself]
FORTHIRD	1= Yes [Client is financing but a third party is consuming the task]
NOFIM	Number of firms being engaged in providing the task (clearly identified)

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