

The shadow army

By Janine R. Wedel

IF THERE is a quagmire in Iraq, it was created more than a decade ago when the United States instituted a flawed system governing the use of contractors to perform governmental functions. Now, despite Iraqi fury at Blackwater USA, some of whose employees are accused of fatally shooting Iraqis, Washington is so reliant on the firm that it dare not order it from the field.

The heavy dependence on private contractors in the military is relatively recent. In the Gulf War only 9,200 contractors supported 540,000 military personnel. The estimated 180,000 US-funded contractors now in Iraq (of which about 21,000 are Americans) outnumber the 160,000 US troops.

All too often this private army has been unmanageable and unaccountable, its interests dangerously divergent from those of the US and the Iraqi governments. The troubles exposed by the Blackwater debacle provide a glimpse into a much larger, systemic problem that pervades military, intelligence, and homeland security efforts alike.

The Bush administration came into office bent on privatizing as many government functions as possible and threw billions into the mix in its Iraq venture. It was changes in the contracting system, instituted during the Clinton administration, though, that transformed the contracting rules and undercut oversight, transparency, and competition.

Through the Clinton and Bush II administrations, outsourcing steadily accelerated. In fiscal year 2006, the federal government awarded contracts valued at over \$420 billion, more than double the amount awarded in 2000, according to the Federal Procurement Data System. The war in Iraq has spurred contracting to record-breaking heights. As the federal government's biggest buyer of services, the Department of Defense, in fiscal 2006 alone, obligated upwards of \$151 billion in service contracts, a rise since 1996 of 78 percent. The transfer of many military functions to the private sector occurred at the same time that government oversight, has been diminished. The Defense Department is ever-more dependent on contractors to supply a host of "mission-critical services," according to the Government Accountability Office. These services include "information technology systems, interpreters, intelligence analysts, as well as weapons system maintenance and base operation support," according to the GAO.

Moreover, functions that were once the responsibility of military personnel are now essentially in private hands. For example, websites of contractors working for the Defense Department have posted announcements of job openings for analysts to perform such functions as preparing the department's budget. One contractor boasted of having written the Army Field Manuals on Contractors on the Battlefield.

Yet, while private companies are acquiring government functions and the number of contractors is on the rise, the number of Defense Department employees available to oversee them has declined. For 15 years, the GAO has included the Pentagon's contract management operation on its list of "high-risk" activities. This designation means that the department may well lack "the ability to effectively manage cost, quality, and performance in contracts," according to US Comptroller General David M. Walker, head of the GAO. When these deficiencies play out on the ground in Iraq, they can have serious consequences.

The extensive transfer of functions to the private sector raises more fundamental concerns. The overarching goal of government is supposedly the adoption of policies and practices that promote the public good. For contractors performing government services, the bottom line is profit.

Further, military personnel are governed by regulations that do not apply to contractors, such as those Blackwater employees involved in the shooting. They do not fall under the rules of war or the Geneva Convention. The records of private employees in war zones are exempt from scrutiny under the Freedom of Information Act. And, unlike military personnel, contract employees on the battlefield can quit their jobs when the going gets rough.

The Iraq war has exposed the dangers of contracting out vital state functions to private actors. Such massive privatization renders government more susceptible to the influence of unelected private players with their own interests - players who are far removed from the oversight of government and the scrutiny of voters.

Inherently governmental functions, such as the direction of military and intelligence operations, ought not to be privatized. It is vital to reverse Clinton-era procurement "reforms" and to restore effective government oversight - and Bush-era extensions of them. Otherwise, the public can be more easily misled, and America's interests, along with its moral standing, will be repeatedly undercut by a shadow army.

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