The Use of Contractors on Deployed Operations (CONDO) in the Age of Austerity

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Introduction

Warfare has changed. So too has defence logistics. Concepts of operation up until the end of the Cold War were, for countries such as the United Kingdom whose British Army of the Rhine (BAOR) was a key component of NATO's Central Front, based upon long lines of communication back to the Home Base (supply chains) that relied upon large stockholdings held at strategic locations in the unlikely event they were needed, in this case, to counter a Warsaw Pact incursion into West Germany.[1]

However since then, the UK has seen a proliferation of 'small' wars across the globe where operations have been predicated upon expeditionary warfare – in other words, the forces have had to go to the operation (outside or on the fringes of Europe) rather than have the operation come to them with considerable implications for logistic strategy and infrastructure, as well as force deployment, utilisation and recovery. Such operations have occurred at a time when public finances have been under scrutiny, no more so than during the current recession. There has been a growing need to ensure that such operations (be they warfighting, peace keeping or humanitarian relief) are successful despite the pressure on the defence budget, which until very recently had been dropping as a percentage of GDP across Europe since the end of the Cold War.[2]

As the UK has changed its position in terms of the orientation of defence, so the potential to utilise Contractors of Deployed Operations (CONDO) has grown. Whilst in many ways this is not a new phenomenon, it does present issues and challenges that must be addressed if operational and financial imperatives are to be met.

Understanding the Past

Military Context

Throughout military history, it has been the competent commander that has recognised the importance of logistics to a campaign or operation. Logistics is not just about the amassing and storage of fuel, supplies and equipment, but also the timely and balanced arrival of those resources to the forces that require them. An army's logistic system is its link with the home industrial base and has been described as "the bridge connecting a nation's economy to its warfighting forces".[3] However, it has been the grand armoured thrust, the daring commando raid and the massed strategic air offensive that has always captured the public's imagination. The harrowing trek of a convoy of supply trucks, the desperate strategic airlift of food and medical supplies or the long awaited arrival of the cargo ship with ammunition and fuel rarely do. "Finally, I have no reason to believe that logistics will ever have much military sex-appeal, except to serious soldiers, but this book is written in the hope that I am wrong."[4]

As alluded to above, the UK had after the Second World War, gradually moved away from policing its Empire to concentrating upon its role within NATO. The logistic implications of a clash between NATO and the Warsaw Pact would have been enormous. Despite its "economic weakness and commercial and industrial inefficiency, the Soviet Union possessed mighty and highly competent armed forces. Indeed, they were probably one of the few efficient parts of the Soviet Union."[5] In addition, NATO had a number of drawbacks, the most serious of which was its lack of sustainability. In a major shooting war, so long as the Soviets performed reasonably well, NATO would probably have lost due to the fact it would have run out of things with which to fight.[6]

Commercial Context

Just as the world of defence logistics was changing so too was the context for commercial logistics. Traditional methods of manufacture, procurement, storage and distribution were being challenged as organisations recognised that costs could be reduced by the integration of these activities and a new approach to the way that logistics was undertaken. Concepts and approaches such as Just-In-Time and Total Quality Management brought about a rethinking in the manner that logistics was undertaken. Whilst still founded upon transport and storage, the wider implications of the management of the supply chain as a whole, came to the fore in contemporary thinking.[7]

The commercial world has long accepted that in order to gain competitive advantage it can reduce costs and enhance operational performance by outsourcing some of its activities to other organisations. The success of companies such as Toyota has been built upon a careful consideration of what can be achieved by in-house activities and those that can be best sourced from external contractors. This approach brought success to many commercial organisations during the 1980s and 1990s and its general concepts, put forward by academic writers such Ellram[8], were adapted by Public Sector organisations and were generally seen as highly successful.[9] Included in this category, could be Public-Private Partnerships (PPP) under the Private Finance Initiative (PFI), which are only now being re-examined to see if they have truly brought increased value for taxpayers money.[10]

Nevertheless, the general concept of outsourcing has gained an impetus which is now hard to stop. Indeed, it is now an integral part of the logistics strategy to support the UK Armed Forces.

For many Public Sector organisations such as the Ministry of Defence (MoD), the outsourcing of certain activities, especially those taking place in a benign environment, while initially contentious have in the main, proved to be successful. These would include catering, cleaning, IT support and guard services. More recently, these have been considered as a package where outsourcing has taken place to a third party facilities provider, such as Serco and ESS.[11] Whilst success can be demonstrated in such benign environments, there has also been a move towards outsourcing of activities that are much closer to the frontline. One can see that such activities have taken place across a spectrum of operations (see diagram below[12]), with more and more activity expected to take place towards the right-hand end of the scale.[13]

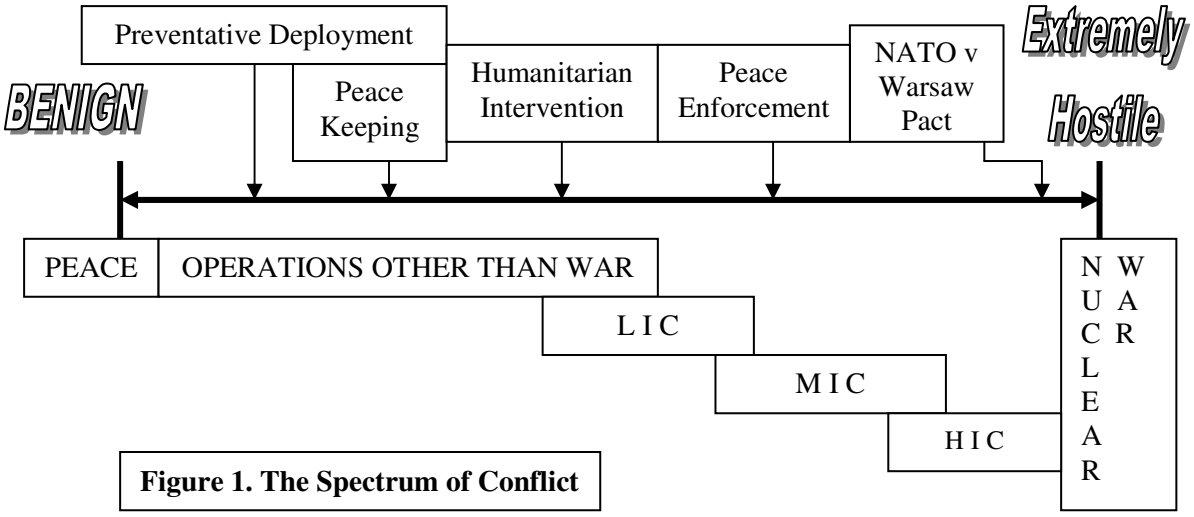
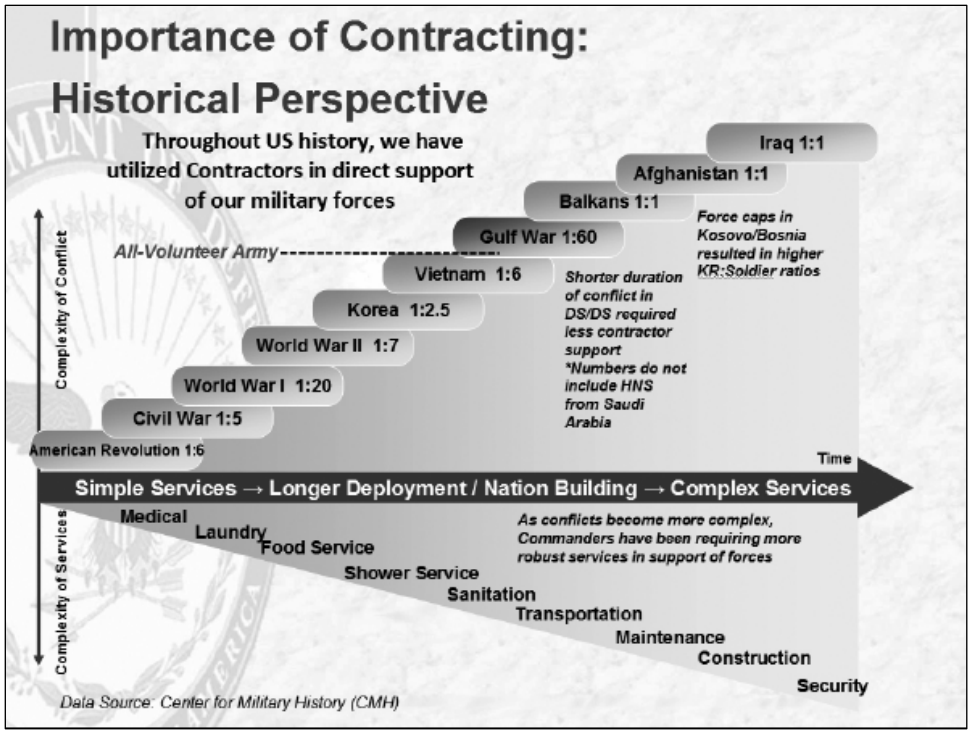


Figure 1. The Spectrum of Conflict

Even a cursory glance at the history of contractor involvement in military campaigns will highlight that they have been utilised to ensure the efficacy of logistic support to deployed forces. Such support was utilised in conflicts such as the Wars of the Spanish Succession (in the age of Marlborough), the Napoleonic Wars and the Crimean War for there "were Master Generals and Boards of Ordnance before there were Secretaries for War or Commanders-in-Chiefs".[14] It was only really in the Twentieth Century that militaries moved away from this model towards one of self-sufficiency, leading one to conclude that the wheel has indeed now turned full circle, as shown in this diagram:[15]



If indeed we accept that the military is moving back to what could be described as a 'core competence' model of operations[16], in order to continue to utilise contractors on deployed operations to best advantage, one must understand the issues and

challenges that are presented to both the procuring and supplying organisations. These include:

- Manpower Limits – many Western armed forces, including the UK, have limits to the number of troops they can deploy on operations. In many cases, this is down to the physical size of the armed forces and the other commitments they have to meet, but can also be down to limits imposed by the Legislature. For example, Germany has limits on the number of troops that can be deployed in Afghanistan, as set by the Bundestag, a limit that was upped in early 2011 to include an additional 300 air force personnel.[17] If a country is close to the number of troops it can comfortably deploy on an operation, but needs to increase it combat capability, one option would be to withdraw support troops and replace them with contractors allowing additional combat troops to be deployed. This however would increase the ratio of contractors to service personnel, with all the potential problems that entails.
- Private Security – The vast majority of contractors deployed at the moment offer logistical support to the forces that are deployed, however, a small but growing number of contractors are from Private Security Companies (PSCs) providing armed security according to the wishes of their client. While they do provide certain benefits (such as protection when military forces are unavailable and they are lower key in appearance), problems have arisen with wide variations in national and international legislation, the understanding and enforcement of existing laws and the pursuit of accountability as well as the highly publicised problems of governmental oversight over both contractors in general, and security contractors in particular.[18]
- Protection – Given that contractors in general are reliant on the military for their protection, the proliferation of modern weapon systems with extended ranges and the tendency for current conflicts to be 'counter-insurgency' in nature (where there are no real 'frontlines'), are there really safe and benign 'rear areas' for contractor activity?[19] It is also worth noting that contractor casualties go largely unreported and disguise the real human cost of war. For example in Afghanistan, by the beginning of 2010, the US had lost 848 troops and 289 contractors[20], while there had been over 500 killed supporting UK forces in Operations Telic and Herrick since 2003.[21]
- Risk – with the increasing shift by Western armed forces towards the core competency model and the increasingly greater role of contractors in most areas outside of direct warfighting, there is an increasing risk of a failure by a contractor to fulfil (for whatever reason) their obligations having a damaging, if not catastrophic impact on the conduct of operations, possibly leading to loss of life. This is hampered by the fact that military commanders cannot exert the same level of command and control as they can over troops under their command.[22]
- Knowledge and Skill Sets – With contractors taking over more and more areas of support, the MoD has been in danger of not only allowing them to conduct the task but also to carry out the thinking and decision-making behind it, especially when it comes down to checking whether the contracted support has been a success and value for money. If there are few (or no) personnel who have the qualifications, core skill sets and experience in the areas that have been contracted out, there might be consequences to the MoD's culture, ethos, professionalism and institutional knowledge. In addition, how is the MoD to judge

whether taxpayers' money has been well spent? One example of this was the report by Charles Haddon-Cave into the Nimrod crash over Iraq in 2006[23], which concluded that outsourcing can be expensive, involve inaccurate fixed costs, irreversible, time-consuming and lead to disastrous circumstances.

- Local Contractors – While their use can help kick start the local economy, there is also a risk of dependency as foreign forces pay relatively well and provide opportunities that may not exist when the economy returns to normal. There's also the security question (for example, the risk of infiltrators) and what will happen to them once the foreign forces leave.
- Psychological Problems – Given the increasing occurrences of Post-Traumatic Stress Disorder (PTSD) in regular soldiers, it is only logical that the increased use of contractors and indeed Reservists (under the 'Total Support Force' concept[24]) will expose them to an increased risk of developing psychological disorders, with which there are fewer systems in place to ease the transition back to civilian life after the operation.[25]

The use of contractors still posses challenges for the operational commander, MoD and the defence industry but given that the use of contractors on deployed operations can only grow in this age of austerity, it is a three-way relationship that needs to be managed effectively, if support to the UK Armed Forces is to be kept optimal in the coming years.

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Moore, David M.; Antill, Peter D.

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Moore DM, Antill PD. The use of contractors on deployed operations (CONDO) in the age of austerity. RUSI Defence Systems, Volume 14, Issue 2, 8 March 2013

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