

PROXY POWER

THE
CHALLENGE
OF RUSSIA'S
PRIVATE
MILITARY &
SECURITY
COMPANIES



PER CONCORDIAM ILLUSTRATION

In the early post-Cold War period, there was hope that the great powers would cooperate to stabilize conflict-affected countries and promote peaceful development around the world. However, such optimism proved ill-founded. Great power competition has returned and with it the commensurate risk of military conflict. The United States' status as the world's strongest military power is increasingly challenged. Russia and China, along with less powerful adversaries such as Iran and North Korea, contest U.S. reach and influence, a development acknowledged in recent U.S. defense and security strategies. China's territorial claims in the South China Sea have strained relations with neighboring states and could potentially draw China and the U.S. into direct armed conflict. Russia's seizure of Crimea in 2014 and violent support for pro-Russian separatists in eastern Ukraine have generated tensions between Russia and Western states unprecedented since the Cold War era.

Nevertheless, a traditional war between the major powers would pose huge military, political and financial risks for the states involved, as well as unimaginable destruction even if nuclear weapons were not employed. Therefore, great power armed conflict remains less likely than aggravated great power competition. This competition is evolving toward a zero-sum contest not unlike the rivalry between the West and the Soviet bloc during the most challenging years of the Cold War. Rather than use direct military force, conflict takes place in the so-called gray zone between peace and war. States employ information and cyber operations, covert special forces deployments and proxy warfare to advance their objectives, while seeking to stay below the threshold that would prompt a robust military response. In an environment of increased tension between the most powerful global players, any low intensity war in which one of these powers is involved, even peripherally, tends to be viewed through the lens of great power competition. This includes contemporary armed conflicts in Afghanistan, Libya, Syria and Ukraine.

PMSC: THE GLOBAL CONTEXT

Proxy forces are not a new phenomenon in armed conflict. There are many historical examples where major powers have provided support for terrorist or insurgent groups operating on a rival's territory. The use of proxy forces can provide a government with "plausible deniability," a term that refers to covert activities against rival states executed in such a way that the antagonist can, if necessary, disclaim responsibility with a measure of credibility. Cold War examples include Soviet support for left-wing terrorist groups in Western Europe and U.S. backing for insurgents

fighting against pro-Soviet governments in Nicaragua and Afghanistan. In the 21st century, the use of proxy forces has increased significantly, and the current tendency to outsource warfare to nonstate agencies seems set to continue. Proxy forces can reduce the political and financial costs and risks of a direct confrontation, especially in circumstances where there is a danger of wider conflict and limited public support for military involvement. In Syria, the U.S. has partnered with the Syrian Democratic Forces, which took the lead in military operations against the Islamic State. Iran has built a network of ideologically committed nonstate proxies to provide a so-called resistance axis against Israel, Saudi Arabia and hostile Western powers.

Proxy forces can include local militias, insurgents and, most important in this context, private military and security companies (PMSCs). A PMSC can be defined as an enterprise organized along corporate lines that is formally contracted to provide military and related security services. These services can be restricted to training and support functions but may also include combat activities. The media and some lawyers routinely refer to PMSCs as mercenaries. But according to the relevant United Nations convention of 1989, mercenaries are individuals hired to fight for private gain who are not members of the armed forces of a party to an armed conflict. Although the legal status of private companies that engage in direct combat remains ambiguous, PMSCs are not proscribed by the U.N.

Until the 19th century, the private sector supplied much of the armed forces of most European states. However, for most of the last two centuries, a state monopoly on armed force was a characteristic of national sovereignty and the accepted norm for developed states. This changed after the Cold War as political, technological and societal developments combined to change the character of armed conflict, state armed forces shrank in size, and many logistical and training functions were contracted to the private sector. All major powers now employ PMSCs, and civilian contractors provide critical combat support and combat service support to state military forces. PMSCs also perform peacekeeping tasks for the U.N. and other nongovernmental organizations.

The South African-based PMSC, Executive Outcomes, conducted successful offensive military operations in Africa in the 1990s. In 2015, a successor group took the lead in operations in Nigeria against Boko Haram. However, Western states have not accepted direct combat operations as a legitimate role for PMSCs. Although not hired to take part in direct combat, PMSCs in Iraq, notably Blackwater and Triple Canopy, engaged in firefights with insurgents early in the conflict. These events and reported abuses by private contractors



Members of the pro-Russian 1st Cossack Regiment guard a checkpoint just outside Pervomaïsk in eastern Ukraine, in 2014.

elsewhere led to a backlash against PMSCs and the introduction of regulatory regimes.

Blackwater, in particular, generated significant controversy over its heavy-handed use of lethal force and the apparent lack of oversight. Blackwater's notoriety led the U.S. to reinforce existing limits on the combat role of PMSCs, restricting them to self-defense and the protection of clients against unlawful attack. The Montreux Document of 2008 established an international, nonbinding, regulatory framework for PMSCs. It emphasized the defensive role of these companies and their obligations under international humanitarian law. Most major states signed the agreement and it has had a major effect on the way in which Western states employ PMSCs. The Montreux Document was also welcomed by legitimate military-service providers anxious to protect the reputation of their businesses. Major PMSCs also instituted a code of conduct to provide ethical and legal accountability for their clients.

China was one of the original signatories of the Montreux Document, and its approach to PMSCs is broadly similar to that of Western states. Although China employs a proxy maritime militia controlled by its military to back territorial claims in the South China Sea, it does not employ PMSCs in this role. There are a number of domestic and foreign private security companies providing protection for Chinese personnel and assets abroad, but there is no Chinese equivalent of Blackwater or the Wagner Group from Russia.

RUSSIAN PMSCs

Russia does not subscribe to the international PMSC regulatory regime and, unlike other powers, deliberately employs PMSCs offensively in direct combat as well as in supporting roles. Much about the relationship of Russian PMSCs with the state remains opaque. Russian journalists investigating the Wagner Group have been murdered in mysterious circumstances. However,

operating alongside the Russian Army, special forces and local militias, PMSCs are well-suited to what Russian analysts refer to as “new generation” or “new type” warfare. In terms of great power competition, Russian PMSCs act as a force multiplier for the Russian armed forces, allow plausible deniability for gray zone operations, and provide a means by which Russia can seek to reestablish influence in regions of strategic or economic interest.

Military provider companies are illegal under the Russian constitution and criminal code, but these enterprises are registered abroad, allowing the state to distance itself from their activities. The Kremlin, for example, has denied that Russian “volunteers” in Ukraine and Syria are accountable to the state or its armed forces. However, Russian President Vladimir Putin acknowledged in an interview in 2012 that PMSCs were “a way of implementing national interests without the direct involvement of the state.” Like their Western counterparts, Russian PMSCs are also significantly cheaper to employ than regular contract soldiers. Using PMSCs in combat also reduces casualties in the official armed forces, while the loss of operatives widely considered to be illegal mercenaries provokes little public concern. The memory of the negative impact on Russian public opinion of conscript casualties during the Afghan and Chechen wars is certainly a major factor in the state’s readiness to employ PMSCs in war zones.

Wagner is by no means Russia’s only PMSC, although it is by far the most prominent. The U.S. Army’s Foreign Military Studies Office at Fort Leavenworth, Kansas, estimates that there are roughly 700,000 security contractors in Russia. Operatives belong to three distinct types of nonstate irregular forces, although the differences between categories are often blurred. First, there are PMSCs that provide personnel and infrastructure security and logistic and training support in a similar fashion to Western PMSCs. These companies are profit-seeking enterprises that, unlike military providers, have been technically legal in Russia since 1992. Examples include the Russian Security Service (RSB) and the Moran Security Group. These companies provide services for Russian and international clients, including the U.N. Although RSB, in particular, claims not to take part in military conflicts, its founder, Oleg Krinitsyn, has boasted about his group’s ability to supply highly trained fighters. Elements of Moran Security also set up the ill-fated military-provider company, Slavonic Corps, to take advantage of opportunities provided by the war in Syria.

The second category is volunteer citizen militias. These have historically exercised security, combat and civil administrative functions on behalf of the state. Cossack groups are the most significant. Their reach has increased since Putin came power and they have been used as an informal arm of the state to suppress street protests against his rule. The major Cossack group, the All-Powerful Don Host, has operated with Russian troops or independently in combat in Chechnya, Georgia and Ukraine. Cossack organizations tend to share the current Russian government’s ideological antipathy to the West and could, therefore, be used along

with other proxy forces and organized crime groups to destabilize pro-Western states on NATO’s periphery. Militarized Cossacks, for example, have a central role in Kaliningrad-based paramilitary formations prepared for both defensive and offensive operations in and around the enclave. In 2019, there were about 200,000 government registered Cossacks in Russia. The Cossacks provide a considerable reserve of manpower, although in general they do not have the military skills of the PMSCs that recruit retired military personnel and train with heavy weaponry.

The third category is military provider companies such as Wagner. These PMSCs are the major nonstate actors for Russia’s new type of warfare. Although technically private, these enterprises often act as state proxy forces working directly or indirectly with the Russian armed forces. PMSCs are also used to further their owners’ business interests, while the threat of potential prosecution ensures that their profit-generating activities do not clash with Russian state interests and priorities. Wagner director Yevgeny Prigozhin, for example, is believed to have received 25% of the proceeds from recaptured oil wells in Syria. Conversely, two leaders of the Slavonic Corps, an earlier PMSC, were convicted of mercenary activities after falling afoul of the Federal Security Service.

The Vostok Battalion was Russia’s first modern military provider PMSC. Vostok was formed during the second Chechnya war, where it distinguished itself by terrorizing the civilian population. Despite engaging in criminal activities during the war, the company’s activities were clearly sanctioned by the state as it worked closely with the Main Intelligence Directorate (GRU). Vostok also fought alongside Russian forces in South Ossetia during the 2008 invasion of Georgia and played a significant operational role in eastern Ukraine. This reportedly included coercive action against local separatists who threatened to become too independent of Russian control.

THE WAGNER GROUP: RUSSIA’S PREMIER PMSC

The Wagner Group also has close links with the GRU and was led in Ukraine by Dmitry Utkin, a retired senior officer of Spetsnaz, the Russian special forces. Despite being an “illegal” organization, Wagner’s training bases are on Russian soil and its leaders have received state gallantry awards. The Wagner Group first came to prominence operating alongside covert special forces in Crimea. The Wagner Group also fought in eastern Ukraine, including at the major battle of Debaltsevo in 2015. Like the Vostok Battalion, it enforced a pro-Kremlin order on local militias. Wagner deployed over 2,000 troops in Syria organized into four brigades, structured and commanded similarly to the Russian Army. The group was used in direct combat in lieu of Russian troops, notably in the battle for Palmyra in March 2016. However, after 2016, the Russian Defense Ministry ceased direct involvement with the Wagner Group. Instead, the PMSC was contracted by the Syrian government to recapture Islamic State-held oil and gas facilities. Consequently, the Syrian authorities took over pay, logistical and tactical support.



This business center in St. Petersburg, Russia, is home to a “troll factory” that practices internet sabotage and is said to be controlled by Yevgeny Prigozhin, director of military-provider company Wagner Group.

The Wagner Group received unwelcome global publicity when, along with Syrian militias, it mounted a major attack against a U.S.-supported, Kurdish-controlled military base at Deir el-Zour in February 2018. U.S. retaliatory airstrikes caused hundreds of casualties. Both before, during and after the attack, the Russian high command denied involvement or any responsibility for the fighters. However, the Kremlin was aware of the attack, and wounded Wagner fighters were evacuated on Russian military aircraft to Russian military hospitals. The Deir el-Zour battle illustrates the complicated nature of the Russian state’s relationship with PMSCs, what Mark Galeotti and other analysts describe as Russia’s “hybrid state,” where public and private, military and civilian, legal and illegal all interact under Putin’s patrimonial rule. There remains much speculation as to why the assault was allowed to take place. Some have suggested that official indifference to the fate of the Wagner operatives was the result of

rivalry between the Russian Defense Ministry and Wagner’s director, Prigozhin, a prominent oligarch and convicted criminal who is close to Putin. He has developed a portfolio of enterprises, including the Wagner Group, which, like other oligarch-owned Russian businesses, generates profits and serves the interests of the state when required.

The Wagner Group has expanded its area of operations since 2018 and increasingly can be regarded as something of an umbrella organization. Working with Russian military advisers and instructors, Wagner and affiliates provide military, security and training services in Burundi, the Central African Republic (CAR), Libya, Sudan and a number of other states. Russian PMSCs are cheaper and tend to be less squeamish about human rights abuses than their U.S. or British counterparts. Wagner, for example, has been linked to the torture of prisoners in Syria. Russia’s activities combine strategic and commercial interests. Libya, Mozambique and Venezuela

are rich in natural resources, which Russian oligarchs seek to exploit. PMSC operations also provide Russia with political influence in client states, confounding Western interests by protecting authoritarian and repressive regimes, such as those in CAR, Nicaragua and Venezuela.

Private contractors are also involved in “patriotic” education and information warfare, including operations directed at the West. The E.N.O.T. Corp, for example, organizes military training in youth camps in Russia and elsewhere in the post-Soviet space, including a camp held in Serbia in 2018. It is believed to act as a recruitment agent for the Wagner Group and may also have been involved in training far-right extremists from the West. Prigozhin also funds the troll factory known as the Internet Research Agency in St. Petersburg, which notoriously sought to influence the outcome of the U.S. presidential election in 2016. Wagner and affiliates have also conducted disinformation campaigns in Africa on behalf of client governments through local media. Since the cyber denial of service attacks against Estonia in 2007, Russian private cyber operatives, including members of leading PMSCs, have mounted consistent information warfare against Western targets as proxies for the Russian intelligence services.

Most Russian military-provider contractors have proved motivated and determined fighters, even when overmatched as at Deir el-Zour. Despite relatively high casualty rates, Russian PMSCs have no trouble attracting recruits, especially in the current economic circumstances. However, the military provider PMSCs are not nearly as effective as Russian regular forces. Combat successes to date have been achieved against weakened Ukrainian opponents or technologically limited enemies, such as anti-Assad militias. In Syria and Libya, the Wagner Group has suffered significant casualties and reversals when undertaking offensive operations against sophisticated opponents. In May 2020, Russian aircraft were deployed to Libya to provide close air support to the Libyan National Army and its Wagner Group proxies after they had suffered a series of defeats at the hands of the Turkish-backed Government of National Accord. Despite hard evidence to the contrary provided by U.S. Africa Command, Russian officials continued to deny any involvement, stretching “plausible deniability” to the limit. Wagner operatives that deployed to Mozambique in 2019 were ill-suited to the terrain and the tactical situation in Cabo Delgado and had to be withdrawn from operations against Islamic State-affiliated

insurgents. This failure suggests that Russian PMSCs may get sucked into counterinsurgency operations in Africa for which they have no experience or aptitude.

CONCLUSIONS

As noted, Russia wages its gray-zone, hybrid competition with the U.S. and its allies through psychological and information warfare, political subversion, espionage and proxy forces. Contemporary Russia operates in a way that would be recognized by its Soviet predecessor, employing “active measures” for the 21st century. In comparison to China, the U.S. or the European Union, Russia lacks persuasive economic or soft-power resources with which to influence client states. Except for its hard-power, military, strategic assets, it operates from a position of relative weakness. Nevertheless, Russia effectively leverages these means to project power and influence with military assistance, including direct combat, arms sales and information warfare capabilities. It has also been willing to capitalize on current American unwillingness — following bruising campaigns in Iraq and Afghanistan — to intervene in fragile states or against rogue states and oppressive rulers.

Although plausible deniability has its limits, Russian PMSCs, along with other proxy forces, offer the state a means of power projection with relatively low risks to the state’s diplomatic and military reputations. Despite a

growing awareness of Russian stratagems, the lack of incontrovertible evidence of Russian state involvement might confuse and complicate NATO and EU members’ decision-making in a crisis, as was the case with Ukraine in 2014. Like Western states, Russia uses PMSCs to reduce the human and financial costs of military intervention. But unlike the West, the leaders of the Russian state use its notionally private military companies to mix geostrategic considerations with business interests.

Western policymakers and military and security officials have yet to focus on the hybrid threat from Russian PMSCs as instruments of Russia’s foreign and security policy. In 2017, the U.S. Treasury Department applied sanctions against the Wagner Group and Prigozhin, but there has been a general reluctance in NATO to link the Russian state directly to the activities of PMSCs. As PMSC scholars Christopher Spearin argued in 2018, naming and shaming the Russian state for employing mercenaries in contrast to the regulations that govern Western PMSCs — and asserting that states cannot deny the activities of private companies undertaking military activities on their behalf — would at least be a start. □



Yevgeny Prigozhin