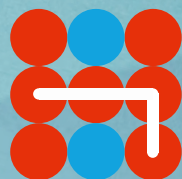


Hybrid CoE Strategic Analysis 17

JUNE 2019

Private military companies – a growing instrument in Russia’s foreign and security policy toolbox

MARGARETE KLEIN



Hybrid CoE

Hybrid CoE Strategic Analysis is typically a short paper (around 2,000 words) written by academic and research community experts. Strategic Analyses are based on long-term research experience, or on current or completed research projects. The idea behind the Strategic Analysis papers is to enhance understanding of different phenomena in the realm of hybrid threats. They do not present direct recommendations but aim to explain processes and identify gaps in knowledge and understanding, as well as highlight trends and future challenges. Each Strategic Analysis paper includes a literature list for further reading. Topics are related to Hybrid CoE's work in all of its main functions: training and exercises, communities of interest (hybrid influencing; strategy and defence; and vulnerabilities and resilience) as well as research and analysis.

The European Centre of Excellence for Countering Hybrid Threats tel. +358 400 253800, www.hybridcoe.fi

ISBN 978-952-7282-44-1
ISSN 2670-2282

Second version of the publication. Previously published as "Strategic Analysis 3/2019: Private military companies – a growing instrument in Russia's foreign and security policy toolbox."

June 2019

Hybrid CoE is an international hub for practitioners and experts, building participating states' and institutions' capabilities and enhancing EU-NATO cooperation in countering hybrid threats located in Helsinki, Finland

The responsibility for the views expressed ultimately rests with the authors.

Private military companies – a growing instrument in Russia’s foreign and security policy toolbox

Although Russian PMCs form a diverse group of actors, they provide the Russian leadership with a useful instrument for acting as a force multiplier for the Russian armed forces, for pursuing hybrid operations under the guise of plausible deniability, and for making inroads into regions from which Russia has been absent for a long time. – writes Margarethe Klein, the head of the “Eastern Europe and Eurasia” research division at the German Institute for International and Security Affairs (Stiftung Wissenschaft und Politik) in Berlin, Germany.

Although private military companies (PMC – *Chastnaya Voennaya Kompaniya, CHVK*) have played an increasing role in Russia’s foreign and security policy since the Ukraine crisis, it was only in 2018 that they began to attract Western public attention after an unknown number of “Wagner” fighters lost their lives during a US airstrike in Syria in February, and after three Russian journalists aiming to produce a film on Wagner’s involvement in the Central African Republic were killed there in August. Although Russian PMCs form a diverse group of actors, they provide the Russian leadership with a useful instrument for acting as a force multiplier for the Russian armed forces, for pursuing hybrid operations under the guise of plausible deniability, and for making inroads into regions from which Russia has been absent for a long time.

In contrast to the Western PMCs that flourished after 9/11 and the US intervention in Iraq, their Russian counterparts qualify as latecomers in the international arena. The most important Russian PMCs were founded during the previous decade – such as Moran Security (2011), RSB Group (2011), E.N.O.T (allegedly 2011), and Wagner (allegedly 2013).

Two trends characterize the development of Russian PMCs. Firstly, **PMCs are broadening and expanding the range of services they provide.** While most of them focussed initially

on protective services for individuals, companies and critical infrastructure (Moran Security, Antiterror-Oryol, Tigr Top Rent, RSB Group) – for Russian companies in Iraq and anti-piracy operations – or engaged in military consulting and training for foreign militaries, the Ukraine crisis served as a testing ground for participating in military operations, including in combat missions. For example, Wagner mercenaries helped to disarm Ukrainian soldiers during the annexation of Crimea, fought on the side of pro-Russian forces in Donbas, and were said to be involved in killing pro-Russian separatist leaders who were reluctant to follow Moscow’s orders. In Syria, Russian PMCs were already acting as military consultants before the Russian armed forces intervened. After September 2015, Russian PMCs, particularly Wagner, engaged in combat missions in Syria, allegedly in close coordination with the Russian military command and/or the Syrian armed forces.

Besides combat missions, **Russian PMCs began to extend their activities to the realm of cyber-security and military-patriotic education.** RSB Group founded its own cyberdefence detachment in 2016, while Wagner’s main financier, Yevgeny Prigozhin, is also funding the troll factory known as the Internet Research Agency in St. Petersburg. E.N.O.T and Mar, in turn, are engaged in ideological work. For example, E.N.O.T organizes military-

patriotic youth camps, primarily in the post-Soviet space, but also in Serbia in 2018.

The second trend is that **Russian PMCs are continuously extending their area of operation.** While some continue to focus mainly on the post-Soviet space (MAR, E.N.O.T) or engage in global naval escort services (Moran), others have been expanding their geographical footprint significantly since 2018. According to investigative journalists and research collectives, Russian PMCs engage in mine clearing, and protection services or training of military forces, at least in the Central African Republic, Sudan, Burundi, and allegedly in Libya.

The development and rise of Russian PMCs corresponds with general trends in Moscow's foreign and military policy: **a growing assertiveness in pushing Russia's profile as a global great power by returning to regions from which it was absent for a long time**, like (North) Africa and the Middle East, coupled with an increasing role for military means in Russia's foreign policy toolbox in general, and a specific emphasis on outsourcing foreign and security policy.

Although founded and headed by Russian citizens, dominated by Russian personnel, and in many instances acting as a force multiplier for the Russian leadership, PMCs are still formally prohibited in Russia. **In contrast to private security firms (*chastnoe okhranno predpriyatie*), which were already permitted in 1992, PMCs qualify as illegal armed formations or mercenary groups according to the Russian constitution (Art. 13) and Criminal Code (Art. 208; Art. 359).** Consequently, Russian PMCs are registered abroad, for example in Belize (Moran Security), the British Virgin islands (RSB Group), or the Cook Islands (Moran Security).

Two factors explain why all attempts to legalize PMCs in Russia have failed so far. Firstly, **the process of legalization is politically risky given the bureaucratic infighting within and between the military and security structures.** If PMCs are permitted, the crucial question arises as to which institution will be authorized to oversee and control the allocated resources – the ministry of defence, the GRU, the FSB or even the National Guard, which is tasked with licensing weapons.

Against the background of both Putin's fourth and constitutionally last term and the growing competition between the silovik structures, Putin might favour a situation of non-decision in order to uphold the competitive balancing act instead of favouring one of the services.

The Kremlin's speaker, Dmitry Peskov, lent plausibility to this argument when – on the occasion of a draft being discussed in the State Duma for legalizing PMCs – he said that the Kremlin “has no position on this question”.

While bureaucratic infighting explains why legalizing PMCs is difficult, **another argument speaks in favour of not permitting PMCs at all: plausible deniability. In 2012, Putin praised PMCs as a potential “instrument for realizing national interests without the direct participation of the government”.** Viktor Ozerov, the Chair of the Federation Council's defence committee, was even more blunt: “Private military companies are and will remain illegal in Russia. But if they are registered abroad, Russia is not legally responsible for anything”. This logic has both an internal as well as an external dimension. With regard to **its own population, the Kremlin will find it easier to avoid public criticism in the event of high death tolls of mercenaries as long as they continue to be formally illegal.** At the same time, upholding the unregulated status serves as a control mechanism for the PMCs, too. If they strive for too much autonomy or refuse to follow orders, they have to fear prosecution. **With reference to external actors, the Kremlin can only deny state involvement in proxy activities abroad if it upholds the narrative of PMCs being formally non-existent in Russia.** Even if this narrative does not seem plausible to external actors, they might find it difficult to agree on harsh counteractions as long as they cannot dispel all doubts.

It is exactly this function as de facto force multipliers for the Russian state, while at the same time qualifying formally as non-state actors, which gives PMCs their added value. They are compatible with the idea of outsourcing policy as well as the duality that exists in Russian strategic thinking. However, not all PMC activities are carried out in accordance with a state order. This applies in particular to those companies – like Moran – that

focus on protection services for personnel, critical infrastructure or naval vessels. As long as their activities do not impede state interests, they are allowed to operate like private business companies and sell their portfolio to global customers without state intervention. Other PMCs – like Wagner, RSB Group or E.N.O.T – seem to coordinate their actions more intensively with state structures given the specific tasks that they fulfil (military support, military-patriotic education). At the same time, they benefit from state support. **As long as the Kremlin’s overall goals are respected, these companies are permitted to merge private business interests with state support.**

However, with regard to all proxy forces, the relationship between the principal (the Russian state) and the agent (PMC) is not free of conflicts and there is no guarantee that the state is always in control. Under certain circumstances, proxies tend to strive for more autonomy – economically or politically – in order to pursue their individual interests, as several pro-Russian separatist leaders in Donbas demonstrated when they refused to obey Moscow’s orders. With respect to PMCs, Wagner’s activities in Syria showed a tendency towards more autonomy. After having allegedly coordinated their actions closely with the Russian command, in 2016 Wagner began to engage more directly with the Syrian armed forces.

What are the challenges that Russian PMCs pose to the EU and NATO and its member states? Here, it makes sense to distinguish between risks emanating from PMC activities far beyond NATO territory, and those that might arise from measures pursued within the member states’ territory or the Alliance’s immediate neighbourhood. In Africa and the MENA region, the EU and NATO should prepare for (more) activities by Russian PMCs, particularly in those areas that are both conflict-torn and geopolitically and/or economically of interest to Moscow. **In these areas, PMCs serve as a door-opener for further military, political and economic engagement by Russia. Here, Russian PMC activities – protecting repressive, authoritarian regimes or warlords, and supporting war economies – might exacerbate existing conflicts with negative indirect consequences for the EU and NATO,** for

example by complicating conflict resolution and state-building or by triggering further migration flows.

Within the immediate neighbourhood of the EU and NATO, particularly **the Western post-Soviet states and the Balkans, Moscow could make use of PMCs – partially in coordination with other proxy forces like Cossacks, pro-Russian martial arts clubs or organized crime groups – to harass or oppress pro-Western forces, conduct subversive actions or engage in military-ideological training (youth camps, paramilitary training).** In times of crisis, PMCs might fulfil military tasks along the same lines as the Ukrainian scenario – from seizing government buildings and critical infrastructure to combat missions. Although EU and NATO members are aware of the specific challenge of plausible deniability, the lack of clear evidence of Russian state involvement might nevertheless complicate joint decision-making. Hence, **PMCs could contribute to creating new “protracted conflicts”, undermining EU and NATO engagement and democratic transformation processes in the region.**

In contrast to the post-Soviet space, military missions by Russian PMCs on NATO or EU territory seem very unlikely. Given the Western military and security service capabilities on their own territory, the logic of plausible deniability would be less effective while at the same time the risks of serious countermeasures would be much higher. Nevertheless, Russian PMCs might engage in limited subversive actions as a supportive function or as part of a combination, for example by conducting (cyber) attacks on critical infrastructure and/or political institutions, or by pursuing false flag attacks in order to destabilize the political, economic and societal cohesion of the target country and/or support pro-Russian forces there. **Within this context, the specific capabilities of several Russian PMCs and their financiers in the realm of cybersecurity and disinformation have become a reason for concern. The same is true of the ideological work of some Russian PMCs when applied to NATO or EU member states with strong ethnic Russian minorities.**

From an academic point of view, there is still much work to be done to elaborate a comprehensive as well as differentiated analysis of the

phenomenon of Russian PMCs. Such an endeavour has to take into consideration the methodological problem of insufficient or problematic sources, as well as broaden our understanding of PMCs as a diverse group of actors with a broad variety of specific capabilities and activities, as well as distinctive links to the Russian leadership.

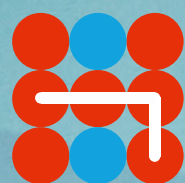
However, political decision-makers and military

and security experts have to focus on the potential risks emanating from PMCs as a specific and growing instrument in Russia's foreign and security toolbox. Therefore, NATO, the EU and their member states should closely monitor the further development of Russian PMCs and their specific links with other pro-Russian proxy groups in order to counter this specific hybrid threat.

Dr. Margarete Klein is head of the “Eastern Europe and Eurasia” research division at the German Institute for International and Security Affairs (Stiftung Wissenschaft und Politik) in Berlin, Germany. She received her PhD in 2002 from the Ludwig-Maximilians University Munich, where she also served as a lecturer. In 2004, she joined the University of Regensburg as an assistant professor. In 2008, Dr. Klein became a researcher at the SWP. She participated in the programme on security policy at the Federal College for Security Studies (2011) and was Robert Bosch Fellow at the Transatlantic Academy in Washington D.C. (2015). Dr. Klein is working on Russia's foreign, security and military policy.

Literature

- Dahlqvist, Nils (2019). Russia's (not so) Private Military Companies. FOI, RUFBS Briefing No. 44, <https://www.foi.se/rest-api/report/FOI%20MEMO%206653>.
- Konovalov, Ivan, Valetskii, Oleg (2013). *Evoliutsia chastnykh voennykh kompanii*. Moscow: Pushkino Tsentri Strategicheskoi Koniunktury.
- Korotkov, Denis (2017a). Chastnaia armia pod krylom Minoborony, In Fontanka.ru, 21 August.
- Korotkov, Denis (2017b). Spisok Vagnera, In Fontanka.ru, 21 August.
- Kuczynski, Grzegorz (2018). Putin's Invisible Army. *The Warsaw Institute Review*.
- Marten, Kimberly (2019). Into Africa: Prigozhin, Wagner, and the Russian Military. PONARS Eurasia Policy Memo, No. 561.
- Marten, Kimberly (2018). The Puzzle of Russian Behavior in Deir Al-Zour. *War on the Rocks*, 5.7.2018.
- Østensen, Åse Gilje, Bukkvoll, Tor (2018). Russian Use of Private Military and Security Companies – the implications for European and Norwegian Security. Oslo. FFI-Rapport.
- Sukhankin, Sergey (2019). War, Business and Ideology: How Russian Private Military Contractors Pursue Moscow's Interests. The Jamestown Foundation, <https://jamestown.org/program/war-business-and-ideology-how-russian-private-military-contractors-pursue-moscows-interests/>.
- Sukhankin, Sergey (2018a). Russian PMCs, War Veterans Running 'Patriotic' Youth Camps in the Balkans (Part One). *Eurasia Daily Monitor*, Vol. 15, Issue 141.
- Sukhankin, Sergey (2018b). Russian PMCs, War Veterans Running 'Patriotic' Youth Camps in the Balkans (Part Two). *Eurasia Daily Monitor*, Vol. 15, Issue 155.



Hybrid CoE