

Blackwater Security helicopter aids in securing area struck by car bomb at Iraqi police station

1<sup>st</sup> Combat Camera Squadron (Michael E. Best)

## Trading Places

# How and Why National Security Roles Are Changing

A bite dog pursues contractor in protective gear to tackle and hold the subject until his handler gives release command, Operation Iraqi Freedom



1<sup>st</sup> Combat Camera Squadron (Stacy L. Pearsall)

By JOSEPH A. GATTUSO

the national security arena. The work of public sector leadership is changing, and America's continued predominance depends on the ability of U.S. public sector leadership to comprehend America's fundamental strategic and constitutional changes and adjust to them rapidly.

The work of public sector leadership in the future will be to design, create, and, with wisdom, constrain market spaces in which the work of the world will be accomplished. National security issues are being decided in the private arena. The public sector must realize that, for all but the largest regional or global conflicts, the private sector will probably be better suited as the operative agent for tactical execution of national security policy.

This article also applies to private sector leadership—that is, to those responsible for shaping strategies, cultures, and directions of private sector firms now operating in market spaces that support national security efforts. The scope of responsibility for private sector leadership is broadening, and the truly responsible private institution will be concerned with more than bottom-line corporate profits. The responsible corporation will recognize that intangible but essential public goods—compassion, empathy, justice, truth, and the concept of self-sacrifice—will only be sustained in our society through an insistence

on diligent application of these qualities in their people, programs, and policies.

In a world where most of the work must be done with market-based solutions, it is the private sector that will carry the burden of ensuring that the substance of our society does not degenerate to a set of characteristics that only encompass economic concerns. Life is not comprised solely of the single-minded pursuit of economic security. The private sector must live this truth; the public sector must ensure that they do.

### Emerging Nature of Governance

The state has been changing its nature throughout history. Each type of state forms around a particular legitimizing basis—an idea that it uses as a rule set to retain legitimacy in the eyes of those it governs. Legitimate authority comes from the ability of that government's constitutional structure to execute the tasks that spring from that legitimizing concept. Doing so fulfills the expectations of the governed.

An earlier form of governance was the state-nation (1770–1870), which had as its legitimating paradigm the idea that the state would both unite and subordinate a particular nationality or ethnic group to serve the purpose of the state. This form of governance was replaced with the nation-state (1860–1990), which had as its legitimizing basis the idea that the state would provide for the

**T**he public sector is served by individuals with superb strategic vision, extensive experience, and a desire to serve the Nation. Yet it finds itself unable to actualize the vision; it is frustratingly unable to execute strategic plans tactically, due primarily to the increasingly complex international environment, the speed with which information is disseminated (thus diffusing power), and the rapid deterioration of historical factors that have traditionally legitimized nations, such as the ability to control national capital and culture and to secure the homeland.

Conditions are such that the private sector is, in many respects, better suited to respond to emerging national security requirements than the public sector. While this assertion causes consternation in many areas of the public sector, there are compelling practical reasons why the public sector should leverage the strengths of the private side to solve increasingly intractable national security issues.

What follows is particularly pertinent for U.S. public sector leadership in

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COMMENTARY

welfare of every individual. This is the form of governance with which most are familiar. In the nation-state, a collection of individuals gives the governing entity power to govern; in turn, the governing entity agrees to ensure the material well-being of the governed.

As did the state-nation before it, the nation-state form of governance is rapidly losing its legitimacy because it can no longer execute its fundamental purpose: to assure the material well-being and security of those it governs.

There are many reasons for this erosion of the nation-state's ability to keep its people either safe or prosperous: the ubiquitous nature of information; the ease with which money, culture, and disease cross national borders; the increase in transnational threats such as famine, migration, environmental problems, and weapons of mass destruction; a globalized economy eroding middle-tier wages; and the concept that human rights transcend a nation's sovereignty and that human values are best determined by the calculus of apportioned economic advantage. The nation-state form of governance is disappearing, and a new form is emerging.

This new kind of governance is known as a *market-state*, described fully in Philip Bobbitt's *The Shield of Achilles: War, Peace, and the Course of History*.<sup>1</sup> Where the nation-state derived its legitimacy from an agreement to provide for the material well-being of its constituents, the market-state derives its legitimacy from an agreement that it will maximize opportunity for its citizens.

While both forms of the state strive for material well-being, the nation-state did so by regulating morality via policy and law. The market-state, on the other hand, attempts to enable material well-being by ensuring the appropriate incentives are in place—an approach devoid of any effort to regulate social mores. The market-state is ideal when multiculturalism is essential; it does well in a society seeking relativistic morality, operating with economically based ethics. Moreover, the market-state solves problems by creating markets that are specifically designed to extrude needed solutions.

The shift to a market-state form of governance has serious implications, however.

While the market-state is more adept at handling transnational problems, it cannot produce those intangible public goods—such as social qualities of compassion, justice, love of truth, empathy, selflessness, and honor associated with sacrificing for the public good—necessary for community and the proper development of human virtue. When there is no intangible idea to which humans can attach beyond that of simply increased material gain or opportunity to obtain better material conditions (translate both to power), then society and the people shrivel, waste away, and die—or become monsters.

But make no mistake—what we should or should not have is, at the moment, not the question. This is the way the world is moving, due to forces beyond any individual or any nation's control. The market-state is emerging, and what remains is only to determine ways to ensure we have the public goods that will enable society to function without losing the richness of life and the knowledge of what it means to be essentially human. At the same time, however, market-state public sector leaders must ensure that society possesses the ability to deal with emerging national security

centered in and having to do with quality of life in the private sector—specifically, their portion of the private sector.

This new concept of national security, coupled with the changing nature of the international environment, has rendered the public sector entities responsible for national security almost incapable of directly addressing the pressing national security issues.

Because of computers, communications, and weapons of mass destruction, the enemies of our civilization *live* in the private sector. They express their anger and frustration in the private sector, against private citizens, and against our civil infrastructure, most of which is now in the hands of the private sector. When attacking those in the public sector—for instance, attacks against coalition soldiers in Iraq—they attack while swimming in Mao's private sector sea. They do not attack on a conventional battlefield in ranks with tanks; they shoot from houses, rooftops, or alleys, or they fire mortars from the midst of martyr-minded women and children, all within the private sector. If Iran or North Korea attacks us, do we seriously think they will attack our military? National security has been removed



Civilian contractor training Iraqi police recruits

Fleet Combat Camera Group, Pacific (Katrina Beeler)

from the unambiguous, ordered realm of governments and thrown squarely into the bitter, bloody, goldfish-bowl arena of the private sector.

For example, within hours of a surgical Israeli airstrike, Hezbollah knows which families need blankets, food, power, water, or medical attention and supplies. Hezbollah faithful are on the ground immediately, distributing \$100 bills to families (in the private sector) who have suffered loss or damage. Hezbollah will race in with dead bodies

of women and children in an ambulance, demolish the structure to make it appear as though there was wanton destruction, remove the bodies from the ambulance, place them dramatically in the rubble, invite the media in to film the scene, and then gather their grisly props and race to another media opportunity. The world gasps.

### Emerging Nature of National Security

There is a new definition for national security. Since any idea or awareness of national identity has been subsumed largely by a creeping obsession with material wealth, any concern for the security of some outdated concept once known as “a nation” has long since vanished. Today, the populace equates national security directly with individual economic prosperity and personal safety. Americans view national security as primarily

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The logic is inescapable. If the fight for national security has been displaced into the private sector arena, then government must ensure that it has the capability to fight in that arena. Yet how does the ungainly public sector



become nimble enough to fight in the private sector arena?

With significant hesitation, most market-state nations, the United States and Britain as the main examples, have decided that they will conduct a proxy fight, using private sector elements to outsource the fight against their private sector enemies. Times have changed: assuring national security requires fighting for it in the private sector, with the force most suited to that battlespace.

There are two main issues with the private sector: accountability and motivation. Under what authority are these private sector firms conducting their activities? Who or what gives these companies the right to arbitrate elements of national policy when those elements involve armed force? Who voted for these corporations? The answer is straightforward: The American people, via their elected representatives, directed the Departments of Defense, State, or Homeland Security to create a market space in which national security requirements of the people of the United States (as determined by those same elected representatives) could best be addressed by private sector firms in an open, competitive market arena. The provision of these services is to be in accordance with the laws, policies,

procedures, and regulations established by Congress and their appointed government representatives and executive agents.

Market-state entities are operating according to their (new) nature. Elected representatives of the people have made a market in which solutions to national security issues are the products, and an enterprising, entrepreneurial, ambitious, patriotic private sector has responded to provide those products and services. This, too, is in accordance with today's new type of governance. So why the problem?


The problem is one of context: no one appears to be uneasy with a Department of Defense uniformed warrior using armed force at the clear and specific direction of the U.S. Government. Yet if the warrior is employed by a private company, great consternation is evoked. This comes from thinking that the public sector must still function with the nation-state model.

What is the difference between the warrior in a uniform getting paid by Uncle Sam, subject to the rules of engagement, and a host of U.S. Government agency rules and regulations, subject to the laws of the United States, and the contractor who is getting paid by Uncle Sam, subject to the rules for the use of force, and a host of U.S. Government

agency rules and regulations, subject to the laws of the United States? In the market-state, the difference is very little. The root of the problem is how some people view the role of the public sector; they expect it to function as a nation-state while the public sector itself is discovering that to survive it must operate with market-state principles, products, timelines, and efficiencies.

There is also the issue of motivation. When the uniformed Soldier goes home for the day and takes off his uniform, does he suddenly become a private citizen? Are Soldiers any less defenders of liberty when they wear civilian clothes?

Some claim that Soldiers wearing the Nation's uniform are not fighting for money. Be assured, every Soldier is paid a salary, with medical benefits and a good retirement plan. But it is true that they are not fighting for money, if one considers more deeply the Soldier's motivations. The warrior's motivations do not spring from, nor are they attached to, the source of a warrior's paycheck. Typically, those whose primary motivation is money do not decide to endure physical, mental, and emotional privation; the possibility of violent, random, explosive death, or dismemberment; or the smoking enmity of thousands



Army snipers and member of private security firm preparing weapons placements for training on long-range firing

of people on a daily basis. The critical point is that warriors' motivations—which are elemental parts of the warrior nature—do not change when they transfer from the public to the private sector.

A great concern to public sector leadership in the market-state era is who will fight the wars of the market-state. When there is no national identity, when there is no uniting social concept of nationhood, when the uniform does not mean what it meant in the nation-state era, then who will defend the markets, the malls, the businesses, and the way of life Americans have come to expect? Can public sector leadership afford to disregard a body of warriors with the appropriate motivation ready to defend the public's way of life, adept at living, working, and moving in the private sector arena—that same arena where the preponderance of the Nation's enemies live?

### Shift in National Security Roles

The market-state will use different tools to solve its problems, survive, and flourish. This is why the market-state needs to utilize the private sector now in ways that it did not when we had a nation-state.

We know that the increasing complexities of our world are generating national security problems ideally suited for market-based solutions. We also know that the emerging form of governance is oriented toward market-based solutions, which emerge from specifically crafted market spaces with unique design constraints. And, finally, we know that the market-state will be unable to secure the public goods so essential for humanity. The fundamental question then becomes how might public sector leadership structure national security market spaces to produce solutions to national security problems, while at the same time ensuring society maintains a high degree of essential public goods.

Maybe the answer is for public sector leadership to pay more attention to ensuring that its private sector surrogates have the proper motivation. In the days when national identities still existed, warriors fought for nations; their uniforms represented the nation for which they fought, and when the war was over they set aside the uniform and once again became productive citizens.

Consider that the warrior in this new era may be motivated by something that is

not attached to the uniform—maybe it is something that does not disappear when the warrior steps across a thin border into civilian life. Maybe that which motivates warriors to do what they do has little to do with the size or source of their paycheck and everything to do with the ultimate purpose and characteristics of their activity. Consider that maybe the true warriors—the professional, altruistically motivated warriors for whom the profession of battling evil is a calling—are warriors regardless of the sector in which they serve. If what they do is altruistic, if it serves or benefits their fellow man, if it defends the defenseless, protects the innocent, and pursues and punishes the guilty, then it will be an acceptable occupation. The public sector must find ways to leverage this national resource, regardless of the sector in which these warriors serve.

If men and women no longer have a concept of a nation, then the only other honorable mindset capable of sustaining the necessary moral force to endure the privation of conflict is this idea of righteous opposition to injustice and evil. The difference is motivation—the difference is in the heart.

The market-state will need private sector warriors to survive. It is motivation that should define those in whose hands we place the responsibility for our national security. It

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should be a main role of public sector leadership to design ways to ascertain private sector motivations and then ensure accountability to those motivational principles. As we see how much more effective the private sector will be in today's conflicts, a national priority for public sector leadership should be to ensure that those working in key private sector areas possess the morality, ethics, value systems, and requisite motivation the Nation wants and needs in its society and citizens.

What are our responsibilities? What are our imperatives? What must we accomplish to adjust to this new form of governance, these new national securities, this shift in national security roles?

To answer these questions, the public sector must craft well-designed national security market spaces in which private sector organizations can function to create market successes, which are also solutions to complex national security problems. The public sector must also insist on adherence to the values, morality, and ethics that it wants upheld as a condition of operation in these markets. Left to itself, the market will ignore these essential social elements.

The public sector, then, still has a crucial role to play in the future—not only in support of national security, but in maintaining and nourishing the qualities that make and keep us human.

The public sector must recognize that the nature and scope of governance have changed; that the level of expectations held by those governed has changed; and that the quality and quantity of public goods must somehow be maintained even in a market-state era. The public sector must work more closely with the private sector to accomplish key national security priorities. The public sector should act with speed and resolve to hold its private sector partners to account and to insist that they operate within clearly outlined and specific guidelines, with appropriate and edifying motivations. The public sector must not abdicate its role as society's guiding hand in the age of markets.

The private sector, acting in support of national security, must maintain the strictest measures of accountability, uphold the highest standards of integrity, and embody the value systems, mores, and ethics required to sustain the welfare of the nation. The private sector must act with more than simply a concern for the bottom line. It must act with a greater degree of morality and ethics than ever before, because the public sector structures that were once in place to ensure that society maintained these key elements are rapidly dissipating. The private sector must be the last bastion of values, ethics, and morals. Private sector warriors who support national security must embody the characteristics that comprise a good society. **JFQ**

#### NOTE

<sup>1</sup> Philip Bobbitt, *The Shield of Achilles: War, Peace, and the Course of History* (New York: Alfred A. Knopf, 2003).