

The Privatization of Security in Latin America

Executive Summary

Private security is a relatively new and in many ways troubling response to the situation of spiralling crime and violence in the Americas. It can range from hiring a personal body guard to using a paramilitary operation and mercenaries to guard significant undertakings such as corporations and mines. In a number of countries there are often more private security forces than the military or police forces.

The Canadian Foundation for the Americas (FOCAL) organized a workshop on *The Privatization of Security in Latin America*. The purpose of this workshop was to address the impact of the privatization of security on the efficiency of the state - particularly regarding the mandate and effectiveness of the police and judiciary - and state legitimacy. The impact of the privatization of security on economic development and personal security was further addressed. In general it was felt that the importance of the phenomenon of the privatization of security is yet little recognized by governments, aid agencies, and non-governmental organizations active in the region and that this lack of knowledge needs to be addressed as soon as possible.

FOCAL had commissioned for this workshop three studies of country situations and policy responses to the rise of private security in the Americas. The full text of the three papers, summarized in this report, is posted on the FOCAL website (www.focal.ca).

Résumé

La sécurité dans le secteur privé est relativement nouvelle et dans bien des cas, ce besoin de sécurité est directement relié à l'importante augmentation des crimes et de la violence dans les Amériques. Le malaise est tel que les moyens utilisés vont du garde du corps aux opérations paramilitaires et aux mercenaires afin de surveiller des sociétés ou des mines. Dans certains pays, on dénombre même une plus grande force de sécurité dans le secteur privé que l'on compte de militaires ou de policiers.

La Fondation canadienne pour les Amériques (FOCAL) a tenu un atelier sur *La privatisation de la sécurité en Amérique latine*. Le but de cet atelier était d'étudier l'impact de la privatisation de la sécurité sur le bon fonctionnement de l'état, particulièrement en ce qui concerne l'efficacité policière et judiciaire, ainsi que la légitimité de l'état. L'impact de la privatisation de la sécurité sur le développement économique et sur la sécurité personnelle a également été abordé. De façon générale, il a été noté que l'importance du phénomène de privatisation de la sécurité est encore peu reconnu par les gouvernements, les organisations d'aide et les organisations non gouvernementales actifs en région. Il faut donc remédier à cette situation le plus tôt possible.

Suite à cet atelier, FOCAL a commandé trois études sur des situations de pays et leurs réactions politiques face à l'augmentation de la sécurité personnelle dans les Amériques. Le texte intégral des trois études est en ligne sur le site Web de FOCAL (www.focal.ca).

Resumen

La seguridad en el sector privado es relativamente nueva y en muchos casos, esta necesidad de seguridad está directamente vinculada con el importante aumento de crímenes y violencia en las Américas. El malestar es tan grande que los medios utilizados comprenden desde el guardaespaldas hasta las operaciones paramilitares y los mercenarios con el fin de cuidar sociedades o minas. En ciertos países se enumera incluso una mayor fuerza de seguridad en el sector privado contando con militares o policías.

La Fundación Canadiense para las Américas (FOCAL), efectuó un taller sobre *La privatización de la seguridad en América Latina*. El objetivo de este taller consistía en estudiar el impacto de la privatización de la seguridad en el buen funcionamiento del estado, particularmente en lo que concierne a la eficacia policiaca y judicial, así como a la legitimidad del estado. Fue abordado igualmente el impacto de la privatización de la seguridad en el desarrollo económico y en la seguridad personal. De forma general, se notó que la importancia del fenómeno de privatización de la seguridad es todavía poco reconocida por los gobiernos, las organizaciones de ayuda y las organizaciones no gubernamentales activas en la región. Por consiguiente, es necesario remediar esta situación lo antes posible.

Luego de este taller, FOCAL solicitó tres estudios sobre situaciones de países y sus reacciones políticas frente al aumento de la seguridad personal en las Américas. El texto completo de los tres estudios estará en línea en la página Web de FOCAL (www.focal.ca).



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Report of the Workshop

This summary report is the result of an October 1998 workshop, organized by FOCAL and called *The Privatization of Security in Latin America*. FOCAL's work in monitoring developments in governance issues for the Americas, indicated that the proliferation of private security enterprises in the Americas has serious implications for the role of the nation state in the region, and for the individual security of the citizens of these countries.

Approximately 40 individuals listened to the presentations and participated in the discussions. The group included government officials, judges, police experts, academics and representatives from human rights, peace and security, and policy organizations.

What is Privatization of Security and Why Does it Matter?

The workshop used as a starting point a basic definition of the privatization of security:

in the context of rapid growing violence and crime, the privatization of security is a trend by which businesses and other entities, even individuals, opt to ensure their security through private organizations. This is done in the absence, relative absence, or impotence of the state and state security apparatus.

The overriding concern of participants was that due to rampant levels of crime in many Latin American and Caribbean countries, security is becoming increasingly privatized. More businesses, individuals and communities are hiring private security forces to protect their families and property from the very real threats posed by criminal elements in society. This worrisome response to increasing crime and violence can take many forms, and it gradually displaces security from the public realm causing a number of political, economic and social consequences.

During the discussions the following questions were posed:

- What are the consequences of the state not meeting its responsibility to ensure the safety of its citizens?

- As private security forces compete with those of the state, security becomes a commodity available only to those who can afford it. What does it mean when the rich can access security and the middle class and the poor cannot?
- What does it mean when state security forces do not have a monopoly over the sanctioned use of force?
- What are the consequences when hundreds of thousands of poorly trained individuals, often ex-combatants, have unrestricted access to weaponry?
- What does it mean when private security forces are important revenue generators for the armed forces of certain countries?
- How does the privatization of security aggravate the paramilitary phenomenon in Latin America?
- Is there a relationship between privatization of security and the growing drug problem in the Americas?
- Not all weapons are registered with the police and often no one knows where the stocks of weapons come from. How does the privatization of security aggravate the arms trafficking situation in the Americas?

FOCAL's study of these issues is prompted by the significant implications of private security for the future of Canada's relations with, and foreign policy in, the Americas. In order for Canada's relations with the rest of the hemisphere to continue to prosper, it is important that the other states of the region be governed by democratic regimes buttressed by sound and effective political institutions. Out-sourcing core functions of the state, especially essential ones such as the provision of security for citizens, has serious implications for governance and stability in the region. Finally, Canadians from both the non-governmental and the private sectors active in Latin America and the Caribbean require a secure environment for their activities.

At the same time, our discussions indicated that private policing is also

on the rise in Canada, in response to a perception of rising crime in our own country. While the degree of the threat is not comparable, there are disturbing issues that must be addressed in Canada as well, regarding the use of private security forces.

The Privatization of Security in Latin America: Vicious Circles

Argentina:

Rut Diamint of the Universidad di Tella, Buenos Aires emphasized that poverty is the main cause of crime and violence in Latin American societies. She argued that the phenomenon of privatization of security in Latin America, particularly in Argentina, is a consequence of the political reforms and the new free market economic policies that have not served to alleviate the chronic poverty of the region.

In Argentina, worsening economic conditions have given the country a far more "violent character" than in prior years. The Argentine people have lived through a long period of authoritarianism and do not trust public institutions to provide them with the security they require. Those who can afford to have turned to suppliers of private security. The data presented showed a link between the growth in unemployment and the growth in crime in Argentina. Similarly, Diamint outlined a cycle of rise in criminality, followed by a rise in drug consumption and the reduced effectiveness of the public security.

The privatization of security, however, has not been the solution to Argentina's high crime rate. Diamint described the phenomenon as a "vicious circle." It serves to further divide society by marginalizing the lower classes who cannot pay for their own security. This process of marginalization often leads to greater social conflict and crime. The wealthiest classes of Argentina all too often use their private police forces to reinforce their interests and protect their property. Moreover, the agents of private security can contribute to crime and corruption themselves because they are accountable not to the public community, but only to wealthy

patrones. There are no state controls under which these security forces must operate and this weakens the transparency of public control in Argentine society.

Looking at the bigger picture, Diamint contended that the main threats to security in Latin America as a whole simply do not justify measures of private security. On the contrary, private security serves only to undermine new forms of institutional cooperation. Such threats include marginalization/social exclusion that often causes social conflict, the rise of terrorism, and narcotrafficking. Diamint suggested that multilateral hemispheric action was needed to deal with the rise in crime in the region, accompanied by police reform and more state regulation of private security forces in Argentina.

Honduras:

Leticia Salomón of the Universidad Nacional Autónoma de Honduras related the types of crime that have threatened individual security in Honduras to specific moments in the country's socio-political history. The inefficient response by successive governments of Honduras to counter criminality and the perception of insecurity have prompted many Honduran citizens to ensure their own security. Private responses have included the purchase of alarm systems, guard dogs, hand guns, practising self defense and hiring security guards to protect valuable property. Citizens who cannot afford these things have been left exposed to the inefficiency of the country's public security system.

The expression a "vicious circle" re-emerged with reference to the fact that the privatization of security produces citizens armed and ready to respond to violence with more violence. A particular concern was raised about the strategy of certain community members taking on the functions of police by pursuing and punishing delinquents themselves - an action that has the negative characteristics of vigilantism. The Honduran experience, like that of many Latin American countries, has shown that a strictly repressive

response to human insecurity does not resolve the problem, and often aggravates it.

Solutions will only emerge from focusing on the roots of crime and delinquency. This is essentially a civic response, having little to do with the police and even less to do with the military. This point was illustrated with a discussion of one Honduran community's private strategy for countering crime through the various elements of civil society, such as neighbourhood associations, churches, women's groups and others. The objective is to prevent crime by using systems of neighbourhood watch to alleviate some perceived causes by working with juvenile delinquents, youth and other groups at risk. This process should also be viewed as part of Honduras' democratic consolidation. As well, laws are urgently needed to regulate the various private responses to human security. It is also important that civil society can participate in the decision making process used to strengthen human security in Honduras.

Mexico:

Raúl Benítez Manaut of the Universidad Nacional Autónoma de México spoke about the institutionalization of private security in Mexico. Criminality and public insecurity are increasing in Mexico, both organized crime (primarily a consequence of drug trafficking) and common street crime. Again, the "vicious circle" image of crime and the country's public security system was emphasized, to the extent that it is hard to know which came first: crime or its principal factor, institutional corruption. Benítez questioned whether crime and delinquency are products of poverty and its corresponding social disruption or the result of the weakness of the institutions and corruption of the functionaries responsible for combatting them.

The Mexican population associates crime and public insecurity with the country's ruling party, the PRI (Party of the Institutional Revolution) and its incapacity to counter the problem due to its own corrupt practices. The

population hopes that the opposition parties, the PAN (National Action Party) and the PRD (Party of the Democratic Revolution) are more honest and will concern themselves with effectively governing and countering crime when in power. However, statistics show that crime is actually higher in the states governed by these parties. Democratization does not necessarily bring greater public security. The opposition may be more democratized and the governors may have the best intentions but the institutions that deliver public security and justice need to be reformed. Benítez argued that it is widely recognized that crime has been closely linked to the Mexican authorities "practically since the beginning of the authoritarian political system" and that "corruption is the lubricant that keeps the system moving. However, this system is now entering a crisis because the tolerance of the Mexican population has reached a limit." Solutions are hard to find. The government of President Ernesto Zedillo has attempted many reforms including a strategy to toughen up public security by militarizing the police forces in a number of states. This strategy however, was counter-productive in that it ran the risk of violating Mexico's Constitution and infringing human rights.

Benítez questioned whether the former government's strategy of "control" rather than "containment" or "elimination" has caused the crime to penetrate the country's system of public security. The Mexican population feels unprotected and the only alternative for survival in the face of crime is opting for self-defence through the development of "private security forces".

Points of Consensus

Although the purpose of the FOCAL workshop was not to come to any definitive conclusions about the phenomenon of private security in the Americas, some broad points of consensus emerged:

- The privatization of security in the Americas is a symptom of something deeper than public insecurity about crime: it is an

important indicator of the loss of a state's institutional capacity to deliver its principal obligation, personal and collective security, to its citizens.

- Privatization of security is undermining governance and democratic institutions in Latin America and the Caribbean.
- Accountability structures are insufficient, and in many cases, do not exist for private security forces. States will need to regulate private security organizations much more carefully.
- Private security threatens democracy by introducing market methods for essential justice and police services, by creating a two-tier concept of citizenship (those who can afford private security, and those who cannot), and by socializing criminality.
- There are numerous causes and no single cause for this phenomenon including the lack of resources for the state, lack of competency, arms trafficking, transnational crime and youth disaffection.
- A variety of policy options can be considered to deal with this

phenomenon, depending on which cause is determined to be the principal contributing factor. For example, if the drug problem is seen as the cause, governments need to address their responses in this area.

- In the face of a reduction of the state's authority over crime and criminality, people will not accept insecurity. Private security is responding to a need identified by the citizens of the region and upon which these citizens will insist.
- The privatization of security is a new form of threat to human or individual security in the region, and should be considered as part of the hemispheric human security agenda.
- All policy responses to the phenomenon of the privatization of security will be costly.

General Conclusions

It will be important for the Government of Canada to be aware of the ramifications of the phenomenon of the privatization of security in its policy orientations toward Latin American institutions. Meetings such

as the Defence Ministerials of the Americas, the Organization of American States' sessions, hemispheric security and drugs, bilateral security discussions with specific states and dealings with the Inter-American Defence Board, should be undertaken with a clear understanding of the impact of this problem.

In particular, efforts aimed at judicial, police and defence reform should reflect and incorporate considerations of private security. In addition, aid agencies and non-governmental organizations active in the region should be careful not to underplay the potential central role of citizen security in the anchoring of democracy in so much of the region. Regional desks and both the geographic and regional security divisions of Canada's Department of Foreign Affairs and International Trade would do well to keep this issue alive in their discussions of Canadian policy toward the region. As Canada takes the lead in deciding the priorities of the Canadian Summit of the Americas, the phenomenon of the privatization of security should be treated as part of the hemispheric human security agenda.

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About FOCAL

The Canadian Foundation for the Americas (FOCAL) is an independent, non-governmental organization that fosters informed and timely debate and dialogue on issues of importance to decision makers and opinion leaders in Canada and throughout the Western Hemisphere. Established in 1990, FOCAL's mission is to develop a greater understanding of important hemispheric issues and help to build a stronger community of the Americas.

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