



# **MSR InDepth**

## **The Privatisation of Maritime Security in Greece**

**By Captain (ret.) Ioannis Chapsos**



**Maritime  
Security  
Review**



# Maritime Security Review

*“Economics have always been, and always will be, directly related to security.”*

## Introduction

**The aim of this article is to highlight the global trend of the privatisation of security in the contemporary globalised environment.**

Economics have always been, and always will be, directly related to security. Hence, in this era where the financial crisis is limiting the available funding in terms of security provision, states are no longer reluctant to outsource hitherto monopolies in order to sustain their economies while simultaneously introducing alternatives for security.

Greece will be the case study of our hypothesis, as the most indicative paradigm in terms of both economic and maritime security issues.

## The Privatisation of Security

Following the prototypes and standards that the Westphalia treaty (1648) introduced, states had the monopoly on security provision. Hobbes described the connection between security, justice and state sovereignty<sup>(1)</sup>: “The state is built upon a mutual relation with its citizens, each of the contributors providing protection and obedience accordingly. While state provides security, creating simultaneously the bonds connecting the citizens among them as well as with the state per se, people are subjective to the common law and authority of the state.” (Devetak and Higgott 1999:485-6)

Additionally, in Weber’s terms, states also retain the monopoly over the means of taxation and physical violence, which are both accepted as legitimate by the autochthonous population (Lambach 2007:33). Hence justice (and injustice accordingly) in political, economic and social terms, can be achieved only within a sovereign state, with a government required as an ‘enabling condition’ (Nagel 2005:114).

The end of the Cold War introduced, among others, a new perception of security provision; states demonstrated the will to outsource the monopoly of force projection to the free market. From the active engagement of mercenary entities in African wars and





the extensive involvement of private contractors in Iraq and Afghanistan the trend of security privatisation emerged as the most controversial issue in contemporary international politics.

Obscure companies such as Blackwater, Triple Canopy and Erinys joined the extensive literature about the action of Executive Outcomes in Sierra Leone and Simon Mann's attempted coup in Equatorial Guinea, providing attractive headlines for widespread journalistic coverage, popular books, TV dramas, Hollywood films and academic debate and analyses.

**“...security privatisation emerged as the most controversial issue in contemporary international politics”**

Later, the consequences of this trend, as well as the privatisation of security per se, went beyond the military aspect and the existing battlefields. They also penetrated, expanding at a phenomenal rate, the every-day activities of ordinary life becoming ubiquitous in less spectacular activities of the commercial sector, such as manned guarding, installation security, risk analysis and surveillance (Abrahamsen and Williams 2011:19).

The increased number of piracy attacks in hot spots around the world – but mostly in the Horn of Africa due to its specific ‘business model’, media attention, publicity and popularity – introduced and led to a boom in the provision of private security in the maritime domain. Ship owners began to engage the services of Private Maritime Security Companies (PMSCs) – as part of the

shipping industry's Best Management Practices for Protection Against Somalia Based Piracy (BMP)<sup>(2)</sup> – due to the efficiency of the practice in practical terms: officially, no ship carrying armed guards has as yet been hijacked.

In addition to the armed and unarmed security escorts for ships transiting high risk areas, PMSCs also provide services in security intelligence, risk assessment and consulting, crisis response and intervention.

There are a multitude of questions that emerge from the trend towards that privatisation of security.

On the one hand, a common and key variable in all these questions, arguments and debates, is the will and capacity of the state – mostly in terms of providing security but also in regulating the free market – in controlling the extent of violence and force projection and consequently the private contractors.

The situation becomes even more complicated and debateable given that non-state actors have the right, will and wealth to contract private security companies for their own use. This raises the question if this form of financing of security enhances or erodes the control of violence (Avant 2005:5-6).

On the other hand, a mutually beneficial relationship between the state and the private sector can be identified. The state reduces the defence expenditure budget for providing security in the globalised environment while simultaneously it minimises the political cost from potential human casualties, or even engagement in ambiguous operations in foreign sovereign states' territories.

The private sector offers jobs to former, well trained, military personnel and the profitable contracts provide an attractive generation of income both for the companies and the state in terms of taxation.





In this era of global economic crisis, Greece has without doubt been the country that monopolised the headlines in worldwide mainstream media and international and regional organisations, as the ‘case study’ and the most affected state, economy and society.

The following comparison between state and private sector response from a maritime security perspective will attempt to demonstrate just how blurred the relationship between contemporary security provision and how global economy affects political and strategic planning actually is.

### The State-Level Maritime Response

Greece is a traditional maritime nation and the sea is inseparable from Greek culture, history, society and existence per se.

More than 50% of the global merchant fleet belongs to Greek shipping companies, although the vast majority is registered in other states under ‘flags of convenience’.

In December 2008, the European Union launched its first ever joint Maritime Operation<sup>(3)</sup> within the context of the European Common Security and Defence Policy (ESDP).

Operation Atalanta was the EU’s counter-piracy operation off the coast of Somalia, “... as response to the rising levels of piracy and armed robbery off the Horn of Africa in the Western Indian Ocean...” and in accordance with the relevant United Nations Security Council resolution.

The first operational commander of the joint Naval Force was a Greek Commodore, which added a symbolic parameter to the whole operation given that during this specific period the Secretary General of the IMO was also Greek.<sup>(4)</sup>

**“.....as response to the rising levels of piracy and armed robbery off the Horn of Africa”**

While the above were reflecting both the interest and the continuous bonds of Greece with the maritime domain in general and its security in particular, the levels of economic suppression were increasing at dangerous levels in the country.

Taking into account that defence budgets do not refer solely to armament procurement but also to salaries, training, health care, maintenance, funding of military operations etc., in March 2012 the Greek government withdrew all assets operating in the high risk area.

It is very unlikely that in the near future any Greek frigate will be re-deployed in the region; hence the paradox is that the country which prides itself for leading global shipping became dependant on other countries’ navies to secure the trade routes and ensure the ‘freedom of the seas’.

Another paradox within this ‘case study’ is that, despite the extent to which the national economy shrunk, Greece remains in the top positions among NATO member states in terms of defence spending. Obviously maritime security is not among the top priorities to be funded, since the personnel costs alone count for approximately 57% of the overall budget.<sup>(5)</sup>

### The Private Sector’s Response

In the environment of the most suppressed economy within the EU, where thousands of Greek businesses have been bankrupted over the past 3 years, private maritime security services are one of the very few that flourish.

In the International Code of Conduct for Private Security Providers (ICoC)<sup>(6)</sup>, Greece is in second position after the UK in terms of registered companies. As of December 2012, the ICoC counts 20 Greek PMSCs registered in their home country, while another 19 are registered in countries with ‘flags of convenience’ such as Cyprus, Bulgaria, Malta, Marshall Islands, Belize, etc.

In March 2012 the Greek government issued the relevant legislation, thus authorising the deployment of private armed security guards onboard Greek vessels<sup>(7)</sup>.

The date that this law came into force coincides with the date that the Greek frigate was withdrawn from the EUNAVFOR Somalia.

It may only be a coincidence, but it's interesting to take a closer look at Article 4 of this law which defines the cost and duration of the required licence.

It is indicative that the shipping company which is interested in contracting private security services has to pay €2,000 for a six month duration licence or €3,500 for a licence of annual duration.

This is of course a significant income for the state in terms of taxation, but on the other hand, it is another incentive for the Greek ship-owners who still have a few ships left flying the Greek flag to switch to a 'flag of convenience' registration.



## Conclusion

The dividing line between state and private security is even murkier in the maritime domain than it is ashore. The private maritime security sector takes advantage of the unemployed, retired and well-trained military personnel to develop an already booming and well established business model.

On the other hand, the state takes a dual award for the defence budget expenditure invested in their training.

Not only does it minimise the allocation of funding required for the deployment of one (or more) frigates on the other side of the globe, but also generates income in terms of taxation from the private sector activities.

Finally, irrespective of the fact that global public opinion is in favour or against the deployment of PMSCs onboard merchant vessels – given the numerous ethical, operational and legal concerns stemming from their applied practices, the shipping companies are addressing them as the sole means of security provision in high risk areas and as the guarantee for the safety and security of both the seafarers and their cargo.

If we want to enhance maritime security at the global level, a longer term strategy has to be applied; one that brings together all the stakeholders – government, military, private sector and academia – in order to implement policies and practices of mutual benefit that go far beyond short term profit.



## About the Author

Captain (retired) Ioannis Chapsos of the Hellenic Navy is a Research Fellow in Maritime Security at the Centre for Peace and Reconciliation Studies at Coventry University.

He also holds the 1st Chair at the International Association of Maritime Security Professionals (IAMSP).

**Footnotes:**

- 1) Thomas Hobbes, Leviathan (Harmondsworth: Penguin, 1968).
- 2) BMP4 is available from [https://homeport.uscg.mil/cgi-bin/st/portal/uscg\\_docs/MyCG/Editorial/20110817/BMP4%20August%202011.pdf?id=71a122dd442f3eaa69d675de206c1d848f419a7b&user\\_id=2a47d4dbfd24ce2da39438e736cab2d6](https://homeport.uscg.mil/cgi-bin/st/portal/uscg_docs/MyCG/Editorial/20110817/BMP4%20August%202011.pdf?id=71a122dd442f3eaa69d675de206c1d848f419a7b&user_id=2a47d4dbfd24ce2da39438e736cab2d6)
- 3) EU NAVFOR Somalia, see <http://eunavfor.eu/mission/>
- 4) Mr. Efthimios E. Mitropoulos was elected Secretary-General of the Organization by the ninetieth session of the IMO Council on 18 June 2003 for an initial four-year period beginning 1 January 2004. On 9 November 2006 at the ninety-seventh session of the IMO Council, Mr. Mitropoulos' mandate was renewed for a further four years until 31 December 2011. Available from [http://www.imo.org/blast/mainframe.asp?topic\\_id=85](http://www.imo.org/blast/mainframe.asp?topic_id=85)
- 5) See ekathimerini.com (Jan. 18, 2013) 'The debate about Greek defence expenditure' [online], available from [http://www.ekathimerini.com/4dcgi/\\_w\\_articles\\_wsite3\\_1\\_16/01/2013\\_478713](http://www.ekathimerini.com/4dcgi/_w_articles_wsite3_1_16/01/2013_478713) [accessed 18 January 2013]
- 6) See <http://www.icoc-psp.org/>
- 7) The law obviously refers to vessels flying the Greek flag. Law N.4058/2012, see: <http://www.policenet.gr/portal/downloads/astunomia-genika-nomothetmata/424.html>

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