

More Than Financial Exchange: A Typology of Compensation for Mercenaries

*A Report to the United Nations Working Group on the use of Mercenaries
Office of the UN High Commissioner for Human Rights*

Dr. Ori Swed
Texas Tech University

Dr. Daniel Burland¹
Command and General Staff College, Department of the U.S. Army

Peace & Social
War & Conflict
LAB

¹ *The opinions and conclusions expressed herein are those of the authors and do not necessarily represent the views of the U.S. Army Command and General Staff College or any other governmental agency.*

At its core, mercenaryism is a business engagement. It is the exchange of services for compensation or rewards. This engagement involves the client and the mercenary. In this report, we explore these client-mercenary relationships and the different types of rewards included in those relationships. Our analysis addresses illegal entities as well as legitimate actors that operate in the same field, such as private military and security companies. Academic discussion on the phenomenon of outsourcing security has regularly mixed mercenaries with private military and security companies, due to the complexities of entities' legal standing, their varied portfolio, the compound structure of those organizations, and occasionally gaps in data on illegal activities. Consequently, our analysis will communicate with the existing body of knowledge and its categorization as the baseline for the analysis. This body of work includes discussions on mercenaries (Arnold, 1999; Avant, 2004; Burmester, 1978; Major, 2007; Percy, 2007) private military companies and contractors (Kinsey, 2006; 2009; McFate, 2014; Swed & Materne, 2022; Swed et al, 2020), private security companies (Abrahamsen & Williams, 2007; Avant, 2005b; Kinsey, 2007), and foreign fighters (Bakke, 2014; Hegghammer, 2013; Malet, 2010; 2013; Mendelsohn, 2011; Swed, 2023). While the mercenary legal category is illegal, the phenomenon, as described in the literature, does not always refer to illegal entities or illegal activities. As such, the usage of the term *mercenary* in this report is not linked to the legal designation but to the phenomenon of outsourcing military and security functions as broadly understood by researchers and experts.

While the subject of this study is business exchange relationships, these specific types of relationships are far from being benign and regular. They are centered around a category of services that are substantially different from other services in the market. Those services include force, state-like-capabilities, and the use of coercive violence or the threat of coercive violence

(Leander, 2005; 2006; Singer, 2003). As such, these types of services have meaningful implications for human security and human rights (Del Prado, 2011; Petersohn, 2014; Radziszewski, 2023). Introducing armed personnel into a community or a project has the potential to result in fatalities. Moreover, undertrained or unrestrained armed personnel can knowingly or unknowingly use their capacity to apply coercive violence to intimidate civilians, abuse communities or be involved in criminal activities (Rothe & Ross, 2010; Sherman, 2015). Beyond the micro-level criminal dimension, armed personnel can have broader effects, destabilizing the social order. Most importantly, this type of engagement is often illegal, taking place outside or at the fringes of the rule of law. For those located in the domain of illegal security, we actually know very little about the financing of mercenaries and similar entities.

The potential high cost of employing mercenaries and similar entities, especially in areas of limited statehood where their services are most needed, has given rise to vibrant legal and academic discussions on accountability and regulation. Many scholars have documented the gaps in regulation and accountability for private military contractors, by comparison with the regulation and accountability systems in place to govern uniformed military service members (Clive & Dave, 2005; Hoppe, 2008; Leander, 2006 and 2010; Liu, 2015; Milliard, 2003; Singer, 2003; Tonkin, 2011) and the way in which nations may deploy them (Camacho, 2015; Heinecken, 2014; Leander, 2019). Others have considered how private military contractors might be regulated under international law (Cameron, 2017; Faite, 2004; Lehnardt, 2008; Schaller, 2007; Schaub & Kelty, 2016). Yet, the efficacy of any regulation or legislation depends on a good and reliable interpretation of the phenomenon. Following the growth and enhanced visibility (Kruck & Spencer, 2013) of the private outsourcing of military force in recent decades, more information has come to light about those organizations. Alas, the outsourcing of war and

security functions presents a substantive challenge to external observers, and often to clients as well (Daumann, 2023), given that many of the practices associated with the industry are hidden (Swed & Crosbie, 2017). The providers of military and security functions market in discretion and secrecy. The function of plausible deniability is part of the services some of those entities offer (Cormac & Aldrich, 2018; Jones, 2008; Williamson, 2024). They do not easily or willingly share information about their activities, contracts, and intentions. Much of the discussion on those actors is drawn from anecdotes, legal cases, investigative journalism, case studies, and secondary sources, and a small group of well-known organizations receive more than their fair share of the attention. These high-profile organizations, however, are categorically different from most providers of private military labor; as important as they are, they cannot be understood as representative of all or even most of the participants in the private military sector. To form a more comprehensive image of different types of client-mercenary relationships, it is important to consider smaller organizations and even certain categories of individuals in the range of case studies used to discover the types of rewards that may motivate mercenaries to form relationships with different clients. Thus, despite meaningful (and excellent) research on the topic, there are still multiple lacunas in our understanding of this industry. One of those gaps is understanding the compensation structure and the nature of the exchange involved in these types of business engagements.

To address this gap, this study reviews, analyzes, and categorizes research and scholarship on the types of business exchange involved, with a focus on the issue of motivations and rewards. In contrast to common assumptions, we suggest that this type of business engagement is not necessarily financial; mercenaries can demand or pursue a host of incentives, some of which are not monetary. We identify a more complicated exchange where clients barter

in state resources and power in exchange for mercenaries' services. These exchanges involve rewards that are less tangible than money but even more attractive to certain types of mercenaries: rewards such as citizenship for migrants, freedom for prisoners, or political legitimacy for a marginalized militia group. We identify three types of business exchanges: financial (direct payment in cash or a cash equivalent); economic (partial or full transfer of a wealth-producing asset, or a license to conduct business in a certain area); and political (bestowal of citizenship, elevation of social class, a pardon of past crimes, or the opportunity to expand one's own political influence).

Mercenaries' Motivations and Rewards

Research on the economic relations and exchanges between mercenaries and clients thus far has been focusing on the macro level, examining the phenomenon as a whole and addressing its macro implications. It has provided a broad review of the economic dimension of this trend, yet rarely has entered into the economic details. Several studies stress the different economic structures mercenaryism presents. In his historical review of the phenomenon, Singer (2003) differentiates between open mercenary markets, charter companies, privateers, and private military firms, and others. Each organizes this type of exchange differently, in line with existing contemporary norms, opportunities, and expectations. Each emerged within a political and economic context that shaped the nature of exchange opportunities and type of relations. For instance, charter companies, like the East India Company, were created during the European colonial race and utilized the legal new structure and function of the trading company. Other studies have emphasized the private nature of the sector, debating the implications of private actors that market in force (Avant, 2005; Dunigan, 2011). Continuing this line of inquiry, several

scholars have studied the commodification of different security services. Focusing on specializations, Avant (2005) differentiates between operational support, advice service, and training. Singer (2003) follows a similar rationale but offer different categories; he identifies military providers who use or threaten violence themselves, consultants who provide strategy or military-building services, and providers of support services who meet logistical needs for a military force. Kinsey (2009) examined the logistical services offered by private companies during the Iraq War; O'Brien (1998) examined private military consulting services in Africa; and Mahoney (2021) studied this industry's cyber services. Looking at the economics of this type of engagement, scholars regularly default to big numbers and estimates. Singer (2003:53;79) offered broad estimates of a "multibillion dollar industry" or "billion dollar contract." In his review of the role of private military and security companies in Afghanistan, Sherman (2015) describes a market that spends over 3 billion USD annually. Avant (2005) assesses the private military and security industry's annual value, as 202 billion USD, as she points toward the massive growth and profitability of that industry. Several studies offer anecdotes, referring to specific payments, which reveals another dimension of these business relations. Allison (2015) reported that Russian and Ukrainian mercenary pilots in the DRC earned 3000 USD per military flight. A survey of 187 contractors from the industry offers a glimpse into salary range within this population (Batka et al., 2020). The study shows that over 86% of the respondents earn over an annual gross of \$100,000 with 36% earning between \$100,000-\$149,000, and 18% earning more than \$200,000. Some studies have focused on the contracts between mercenaries and their clients, as the determinant of the relationship and its parameters. For example, Singer (2003) presented the full, itemized contract between Sandline International and the Papua New Guinea

government. Dickinson (2003) suggested using contracts to regulate and control the service providers in this industry.

Adding to those conversations, we offer a typology that captures the variation and nuances of these exchanges, introducing three general categories of exchange: financial exchange, economic exchange, and political exchange. Table 1 illustrates the three categories as well as their subcategories. In the following sections of the report, we provide further explanation of the examples cited in the table for each category.

Table 1: Types of Exchange in the Outsourcing of Security and Military Functions

Types		Level of Engagement	Description	Example
Financial Exchange	Paid Work (one time) / Gig Workers	Individual	An ad hoc or temporary form of employment, similar to the gig-economy.	Daily payday opportunities in professional forums such as Silent Professionals
	Salary	Individual or Organization	Medium to long-term hiring of a person or a group of people, often incorporating them into an existing security architecture.	-French Foreign Legion - Royal Gurkha Rifles
	Contract	Organization	A contractual exchange between two entities with parameters for service and compensation.	-Blackwater -Dyncorp -KBR
Economic Exchange	Economic Concessions	Organization	A state gives up parts of its resources and assets that can be monetized. These can be natural resources or infrastructure (e.g. ports or refineries).	-Executive Outcomes (and its partners and subsidiaries)
	Proxy or Licensing	Organization	A state gives an operating license that empowers an entity to act under the state's protection, or as a state proxy. This process yields items that can be monetized, immediately or at a later stage.	-Wagner Group in the Central African Republic - East India Company (historically)
Political Exchange	Bartering in Political or Legal Status	Individual	A state barter in legal or political status, with rewards such as reduced prison time or citizenship, which it exchanges for military services rendered.	-Prison recruitment in Russia -Nepalese mercenaries in Russia
	Political Influence	Individual or Organization	A strong individual or group seeks enhanced political influence to advance a particular agenda.	-Erik Prince, Blackwater

Financial Exchange

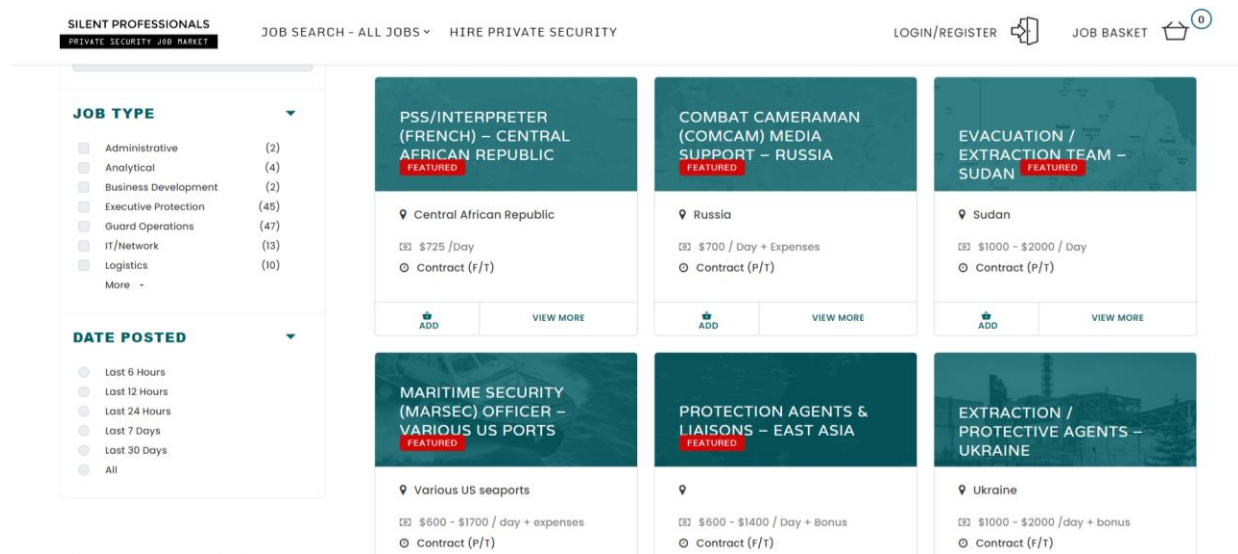
Financial exchange describes a relationship that is based on the transfer of money in exchange for services. This is the classic form of exchange, the common-sense assumption in discussions of mercenaries. This category of exchange includes short-term payments of a fixed amount of money, salaries, and contracts that substantiate the money exchange, its scope, and parameters associated with compensation (such as a bonus or penalty). We categorize three types of such exchanges: Paid Work, Salary, and Contract. Each involves a monetary exchange that takes place under different conditions.

Paid Work

Paid work refers to one-time hires, analogous to employment in the gig economy. It is the exchange of service for a specific, time-limited payment. That type of engagement might include daily payments for a VIP protection service, or a one-time payment for a training session or a weekend's work. It is a financial exchange in relation to an individual. Outsourcing security includes multiple subcontracting and additional outsourcing. This means that organizations and companies that win a contract then subcontract some of the services and functions to other companies and organizations. Those, in turn, can subcontract again to local organizations. Within this process, the gig economy solution of employment paid hourly based on demand is very common. A review of military contractors' online profiles shows that many of them work for multiple companies in patterns similar to the gig economy rationale (Butler et al., 2019). Figure 1 illustrates the nature of this economic exchange. It captures a screenshot from an online job board entitled Silent Professionals (<https://silentprofessionals.org/>). Silent Professionals is a webpage posting job opportunities related to the outsourcing of military and security functions.

The job board’s subcategories include Private Military Jobs, Private Security Jobs, and Mercenary Jobs, among others. A review of the job offering there illustrates the gig economy dimension of this industry. Job offers display temporary employment and short-term employment, listing daily rates and specific services. For instance, an unknown employer is searching for interpretation services in the Central African Republic, offering a daily rate of \$750. The service does not include expenses or benefits. Similarly, another client is looking for an extraction team to operate in Sudan, offering a daily compensation ranging from \$1000 to \$2000.

Figure 1. A Screenshot of Job Opportunities in the Webpage Silent Professionals



Salary

The exchange engagement through salary refers to more long-term, institutionalized employment. Salary represents a continuous and established relationship between client and mercenary. It means that the client’s need for those types of services is continuous and therefore

the exchange transforms into an institutionalized relationship. A salary commits both the client and the mercenary to the exchange. In contrast to the gig exchange, a salary-based relationship offers additional types of compensations that are associated with institutionalization. Salary may include a pension and/or retirement fund, disability compensation, overtime pay, paid leave, sick days, and other benefits. Institutionalization also offers organizational mechanisms that empower the employee, such as access to Human Resources to assist with employers' misconduct and employees' legal rights, or with access to intra-organization conflict-resolution functions. Salary exchange captures both the individual level, similar to the Paid Work category, but also an organization-level employment exchange. On the individual level, it describes individuals' employment opportunities in the form of a steady job. Yet, it also describes the bargaining power of a group or organization.

Many private military and security companies that benefit from a long-term contract with their clients will offer their contractors a continuous salary. Yet, institutionalization can be even more substantial, with the creation of specific institutions that specialize in the recruitment, training, and deployment of mercenaries as an integral, not external, part of the military and security operation. An illustration of this type of exchange is the French Foreign Legion (Légion étrangère). The French Foreign Legion embodies the salary exchange relationship, offering extended, institutionalized employment for non-citizens for a paid military role as a force multiplier for a national military. Participants are recruited as individuals in a way similar to other types of employment: there is an official recruitment website which describes training requirements, minimum salaries, and opportunities for future promotion (<https://www.legion-recrute.com/en>). An initial enlistment period of five years is required for new recruits, making this a type of employment that is long-term, binding, and institutionalized. Yet participation in

the Foreign Legion is distinct from direct service in the French military. Individuals may enlist in the Foreign Legion, but they will only be assigned where the entire Foreign Legion is assigned; they are not fully integrated into regular units of the French military (Lepage, 2008). Thus, these individual recruits are joining a military force separate from the French national military but subordinated to it and assigned to serve alongside it. Another example is The Royal Gurkha Rifles, which occupy a similar place in relation to the British Army. They are a group of Nepali non-citizen soldiers who serve together in a separate unit under the command of British military officers (<https://www.army.mod.uk/who-we-are/corps-regiments-and-units/brigade-of-gurkhas/the-royal-gurkha-rifles/>). A recent example is the International Legion of Territorial Defense of Ukraine that invites people from across the world to join its rank in the fight against Russia (<https://ildu.com.ua/>) (Pugliese, 2023; Swed, 2023). In such salaried, institutionalized forms of non-citizen military employment, recruits may be in a subordinate position in relation to the national military of the host country, but they do enter into a legal enlistment agreement providing them with a clear and stable salary for serving at a specified rank for a set period of time. These established legal parameters set this type of salaried employment apart from short-term “gig” employment and protect recruits from many forms of employment exploitation.

Contract

Contract employment represents an agreement to provide military or security services in exchange for a pre-determined payment according to terms specified in the contract. It includes itemized demands and expectations. It sets deadlines for the exchanges and offers parameters for the relationship. The more elaborate and nuanced the contract, the clearer the nature of the exchange and of the relationship between the client and mercenary. These contracts are financial,

offering payment in exchange for services rendered, but unlike short-term “gig” employment, what we are calling contract employment can be more complex and/or open-ended. If long enough, a contract-based engagement can include salaries.

For example, a contract may integrate a private military company into a national military force undertaking a mission for a period of time. In this case the contractors are subordinated to the military unit with which they are operating. Alternatively, a contract may assign a company to retain control of a certain geographical area, allowing much freedom to the contractors to decide on their preferred method and course of action. Typically, such contracts are established between a client and a private security or military company, with that company, rather than the client, in charge of determining which specific employees carry out the tasks that will result in meeting the goals described in the contract. The company also determines how much of its contracted payment it will then pay out as salary to its own employees. Those aspects can be discussed in the contract, yet the company is the party deciding those details.

An example of a company that has been engaged in a series of such major contracts is Blackwater. Blackwater entered into several contracts with the U.S. military to participate in operations in Iraq (Kinsey, 2009). Those included their VIP protection program, where Blackwater teams provided personal protection to dignitaries, bureaucrats, media representatives, government officials, and high ranked military personnel (Scahill, 2007). Dyncorp has been commissioned by the U.S. government to train several armies in Africa (McFate, 2008). It has been contracted to demobilize existing armed groups, recruit new soldiers, vet candidates, and train them. Dyncorp was building armies across the continent as part of their contract. Another example is KBR’s logistical solution contracts in Iraq and Afghanistan. Those include facilities management, laundry services, food services, welfare and recreation, hazardous material storage,

power generation and electrical distribution, water production, waste and sewage management, among many other things (Moore, 2019: 71).

Economic Exchange

The second category of exchange is economic. It focuses on an exchange that is centered around economic enterprises and the commodification of assets for profit. Here, instead of offering monetary compensations, the mercenaries exchange their services for the opportunity to have an income-producing asset or set of conditions. Namely, they get the opportunity to develop an independent source of income in a different industry not related necessarily to security or the military. This way, the mercenaries gain the opportunity to expand their portfolio from the market for force to another market. Yet, those assets or conditions are regularly held by the client, the state. In this exchange, the mercenaries request the state to give those up. As such, this exchange includes the delivery of state resources and functions to the mercenaries. With this type of exchange, we identify two sub-categories: Economic Concessions, and Proxy or Licensed Agreement.

Economic Concessions

Economic concessions refer to compensation in the form of revenue-producing resources or assets. This type of economic exchange between clients and mercenaries involves mercenaries gaining a share of a particular resource, rather than just direct payment, in exchange for the security or military services that they provide. Concessions may include ownership of natural resources and critical infrastructure that can be commodified (such as ports). This model has been used on several occasions in Africa (Akcinaroglu & Radziszewski, 2013; Reno, 1997) and later adopted by Russian mercenaries in the Middle East and Africa (Marten, 2019).

During the 1990's, the private military company Executive Outcomes put this model into practice in Angola and Sierra Leone, in partnership with dozens of private commercial entities. In Angola, in 1993, the government hired Executive Outcomes to retake oil fields from the anti-government force UNITA. Because the government could not afford to pay Executive Outcomes, private oil and mining companies with interests in the area advanced the cash payment to Executive Outcomes in return for new oil and mining concessions from the Angolan government (Davis, 2002; Singer, 2003:108). Those companies, Branch Energy in particular, worked closely with Executive Outcomes to orchestrate a situation where the mercenaries secured the business environment and then earned additional profits from the concessions (Davies, 2010; Howe, 1998). In 1995, Sierra Leone hired Executive Outcomes to stop the rebel group RUF offensive (Harding, 1997). Again, a private firm with mining interests in the country advanced the money to pay Executive Outcomes in return for future mining concessions from the government. According to local investigative journalism by *Standard Time*, the group earned one gold concession, at least two additional concessions on alluvial diamonds, and another one for Kimberlite (Harding, 1997). In the case of Sierra Leone, Executive Outcomes then set up subsidiary companies that provided needed services in the country for profit, including medical care and water purification. After Executive Outcomes itself disbanded in 1999, those subsidiary companies continued to operate both in the private military sector and in other industries, and Executive Outcomes employees could also continue to build upon their connections with the network of about 80 other companies that had financed their fees or otherwise collaborated with them during their successful operations in Angola, Sierra Leone, and several other countries (Howe, 1998; Singer, 2003).

Other examples of such economic exchanges include the more recent one of the Russian mercenaries' exchange in Syria. Here, several Russian companies involved in insurance and logistics were offered concessions in natural resource exploration on Syrian soil by the Syrian government. These concessions came with two substantial caveats. First, the area promised was held by rebels at the time. Second, the companies involved were expected to capture and secure the oil fields, phosphate-mines, or other resources using Russian PMSCs, such as Wagner (Kramer 2017). Reports from independent Russian media outlets indicate that Russian PMSCs put the agreement to work and fought the Islamic State in the area of natural gas fields near Palmyra.

As those examples illustrate, on those occasions mercenaries operated as international corporations, exchanging their services for market share and opportunities. This approach is substantially different to monetary exchange, given the high cost and the nature of the relationships involved. With economic concessions, the client maintains a long-term relationship with the mercenary entity and its subsidiaries or partners. In his review of the Executive Outcomes operations in Sierra Leone, Howe wrote that “Highly favorable concessions could constrict national development by lessening future government revenue, and provide a short-term reprieve in exchange for a long-run curse” (Howe, 1998: 319). Howe was emphasizing the disadvantage to the host country that grants concessions in exchange for military or security services but, conversely, such concessions deals allow mercenaries to derive a long-term benefit from a short-term investment of time and effort.

Proxy or Licensed agreements

The other type of economic engagement is a proxy relationship or a licensed agreement. Those types of exchange are an extension of the concessions model. While concessions are limited to

specific assets or resources, proxy or licensed agreements set broader parameters and allow mercenaries to act in the name of the state or under its legal protection. Here the sources of economic profit are broader and restricted mostly by the mercenaries' abilities and imagination. When a private military company is sent into a region as a proxy for a client-state or government, it is in a position to use state-like powers and processes to its own economic advantage.

An historical example are the charter companies during the colonial era, that carved private empires in the Americas and in Asia. Organizations such as the East India Company employed hundreds of thousands of personnel, lunched several wars, and deployed massive private armies (Lawson, 2014; Reid, 2012). The East India Company defended its ships with its own private military, which at times was considerably larger than the British military of the same period (Singer, 2003). A different charter company, The Hudson's Bay Company, held an exclusive license from England for a certain period of time to conduct trade in the territories which eventually became Canada and the northwest region of the United States. License agreements grant to a private company the right (in some cases the exclusive right) to make business deals in a foreign territory and/or to exploit that territory's resources for profit, all with the permission or even the encouragement of the sending country, which exerts control or considerable influence over that area.

Yet, that sort of relationship is still relevant. A more current example for this model of exchange is the Wagner Group operations in the Central African Republic. The Central African Republic has been suffering from armed rebellion and instability, and the Wagner Group offered solutions. The organization was invited to support the Touadéra regime as part of the Russian "package" of military support and exchange (Neethling, 2023; Pokalova, 2023). The group operated as a Russian proxy in the country, gradually increasing its influence and access. As it

gradually increased its influence, the group also sought after economic opportunities. It was able to secure economic concessions to natural resources and infrastructure. Profits from the concessions were channeled through a network of shell companies and eventually made their way back into Russia (Pokalova, 2023; Moeder 2023). The Wagner Group's ability to gain long-term control of revenue-producing assets puts it into a separate category from other mercenary groups: “Wagner in the CAR first appeared as an expeditionary force that much resembled a PMC or a PSC. However, at deeper examination, what emerges from the CAR is an expansive network of organizations, companies, and individuals that work behind the Wagner front” (Pokalova, 2023: 11). The group built on the economic concessions to expand its operation and profit. Moeder points out that “Wagner brings in the equipment and manpower to alleviate security concerns with the understanding that Wagner affiliates will benefit from lucrative mining deals and large compensation packages” (Moeder, 2023: 4). This model of exchange uses its status, as proxy or license, to search for or create business opportunities. Some of those may or may not be concessions.

Political Exchange

The third category of exchange is political exchange. In this category, access to political status, and its ancillary benefits and opportunities, is at the heart of the exchange. A change in political status can manifest differently yet it is usually associated with legal categorization. Individuals and groups aspire to improve their status via the exchange. Very similar to the economic exchange category, this exchange markets in opportunities. These opportunities can manifest differently, depending on the mercenaries’ agency and capabilities, the setting, and local political alignments. This type of exchange includes the request for political benefits from the client or

alternatively, the subtraction of segments of the clients' political power. We identify two subcategories here: Bartering in Legal Status and gaining Political Influence.

Bartering in Legal Status

This type of exchange offers mercenaries a change in their political status through legal means. The client possesses the power to change individuals' legal and political status, and it uses that capability as part of the exchange. For its part, the mercenary party to the exchange is interested in that type of compensation, finding the opportunities associated with this type of status change more appealing and relevant than monetary compensation.

For example, in its bid to increase its forces in Ukraine, Russia has been offering citizenship to foreign nationals as a recruitment strategy. Although Russia is not the only country that has offered citizenship or other improvements in legal status as a reward for military service, it has attracted considerable attention for doing so in recent years because of its current need for more soldiers to continue its invasion of Ukraine. Military personnel told communities of foreign nationals in Russian cities "You don't have to wait five years to become Russian citizens—instead, you can sign a contract for military service for six months or up to one year in exchange for fast-track citizenship for yourself and your families" (Najibullah & Navruzshoh, 2023). Those who participate as contracted soldiers were offered the opportunity to replace their residency permit or work permit with a Russian passport after six months. When Russia could not recruit enough soldiers to send to Ukraine from among immigrants in its own cities, it began offering mercenaries from other countries an expedited process to obtain a Russian passport in exchange for military service to Russia in Ukraine. These third country mercenaries are not necessarily interested in migrating to Russia, but holding a Russian passport would allow them to

migrate to other nations and escape the limited opportunities in their home countries; this is an example of bartering in status. Targeting communities outside of Russia, military recruiters offered Nepalese nationals mercenaryism as a pathway for a Russian citizenship. Nepal is one of the poorest nations in the world and its passport is one of the worst in the world for global mobility. Its unemployment rate for people between 15 and 29 is over 19%. A report estimated that over 15,000 Nepalese joined the Russian armed forces this way (Pokharel et al., 2024). The phenomenon is so pervasive that Nepal has now made an official request of Russia not to recruit its citizens as mercenaries anymore (Pokharel et al., 2024). This is an indication of the value of this transaction. The lack of opportunity in Nepal is so severe that the government of Nepal appears to be more hopeful about ending this recruitment on the demand side, by appealing to Russia, than on the supply side, by discouraging its own citizens from participating.

Another example of Russia bartering in legal status is its recruitment of Russian convicts directly from prison with the promise of a future pardon and expunging their criminal record in exchange for immediate military service on the front lines in Ukraine. In a video recording from one of the Russian penal colonies, the head of Wagner was shown personally recruiting prisoners. His offer was time limited, ending when he leaves, and his sales pitch was not sugar coated. He explained the danger and risk the convicts would face, yet he promised them agency to change their future and earn a clean slate (Kim, 2023). A 2023 estimate suggested that the Wagner Group deployed over 50,000 former convicts under their umbrella of operation in Ukraine (Lovett, 2023). Records from the Russian prison system show an abrupt drop of 27,000 in the population of Russian prisons just between March and November of 2022 (Walsh et al., 2023); even if only a portion of these people left to serve in the Russian military, this drop is indicative of a large-scale initiative. Many convicts have died in the war, since they are often

used as assault units that attack fortified positions and experience heavy losses (Belovodyev & Systema, 2024; Walsh et al., 2023). Yet, as of early 2023, about 5,000 convicts who fought in Ukraine had gained a pardon (News Wires, 2023).

All of these examples of Russian recruitment illustrate the value to mercenaries of the promise of political rewards that only a sovereign nation can offer. In the case of the Russian convicts recruited for military service, only the country that had convicted them held the power to reward them with a pardon and freedom from incarceration. Such specific political rewards are a more compelling inducement than mere money for people in severely limited circumstances that could be transformed by a political pardon or by an opportunity for prosperity in another country that would be impossible in their home country.

Political Influence

The type of exchange that offers the reward of political influence trades services for political power. Essentially, the client, usually a state, offers to share power with the mercenary. In those cases, the mercenary becomes a political actor, combining military power and political power to promote a particular agenda. While bartering for legal status is attractive mostly to mercenaries from marginalized groups, expanded political influence can serve as a powerful incentive for mercenaries who are already privileged members of their society.

Erik Prince, one of the founders of Blackwater, is an example of a wealthy, privileged person whose military service experience and political beliefs led him to invest his own inherited fortune in creating a private military training facility, and then founding a private military company. Prince had served in the U.S. military as a Navy SEAL but had been disappointed in the condition of the Navy's training facilities; by developing his own private training facility, he

was essentially setting out to outperform the U.S. military itself. Yet the private military company he co-founded with a group of like-minded people provided an even greater opportunity: that of becoming a direct actor in world events to advance a shared ideological agenda. In 2006, one Blackwater executive stated that the primary purpose of the company was not to make money. The same year, another Blackwater executive, Chris Taylor, issued a more specific statement to the conservative newspaper the *Weekly Standard*, phrased as a warning to those interested in working for the company: “If you’re not willing to drink the Blackwater Kool-aid and be committed to supporting humane democracy around the world, then there’s probably a better place [to work]... because that’s all we do” (Scahill, 2007: 375). Although it could be argued that Blackwater has done things during its missions throughout the world other than “supporting humane democracy,” Taylor’s statement is informative for the purposes of this report on what motivates mercenaries and private military companies. For large and/or prosperous companies with an ideological bent, advancing a particular agenda through the use of force can be more motivating than the pursuit of financial profits. As for Erik Prince, his motivation to use his private military resources in support of causes he believed in throughout the world drove him to insert himself into geopolitical affairs. With the rise of ISIS, Prince suggested a mercenary-based solution to fight the Islamic State (Thompson, 2014). Identifying an opportunity in the European migration crisis, Prince offered a plan to stop the wave of migrants from Europe with a private policy force (Kirchgaessner, 2017). In 2018, Prince pitched a proposal to privatize the Afghanistan war as a solution to the military and political impasse. His plan included designating him as a viceroy for the country and uniting the country under the exiled monarch (Cancian, 2018). Two years before the Russian invasion of Ukraine, Prince proposed to build a weapons industry in Ukraine to help the country withstand Russian

aggression (Shuster, 2021). Prince viewed himself as a significant independent agent not only within the private military industry but also in the sphere of international relations. Building and then using this type of independent political influence for his own purposes appears to be a more attractive form of compensation for Prince, and for other highly successful mercenaries like him, than earning more money or even making long-term revenue-producing economic deals.

Discussion

After considering these three general categories of compensation sought by mercenaries, financial, economic, and political, we must also include a brief inventory of how the different types of resulting relationships affect clients, especially those who are nation-states. As we have seen, client-states hold a more powerful position in these relationships when they become institutionalized, because a state has the power to transform or to end institutions that no longer suit its purposes. By the same token, however, formal, institutionalized relationships with mercenaries are publicly known, requiring the state to act in conformity with legal limitations and with expected behavioral norms. To take a straightforward example, the government of France holds all the power in its relationship with the members of the French Foreign Legion. If France is not happy with the performance of the Legion, it can end the employment of the entire group, confiscating all of their uniforms and weapons because it was the French military that issued them all in the first place. In doing so, however, the French government would have to honor the terms of the Legion members' employment contracts or face legal consequences and public criticism. Therefore, the institutionalization of the Foreign Legion prevents it from posing a threat to its client-state, but it also imposes upon that client-state a public responsibility to fulfill the formal agreements it made with the members of the group before ending it as an institution.

As relationships between mercenaries and client-states move into less institutionalized forms, states have less public responsibility for the mercenaries' actions but also less control over those actions. To take another example, England could have canceled the license it had issued to the East India Company at any time, ending their formal relationship, but it may not have had the power to prevent the East India Company from continuing its commercial activities or even from launching a successful attack against England. Ending the relationship by canceling the license would have ended England's legal and public responsibility for the actions of the East India Company, but it also would have ended any financial benefit England derived from the relationship and enhanced the potential threat that the company could pose to its former client. Thus, institutionalization and client-state responsibility are linked: within institutionalized, public agreements with mercenaries, client-states hold the greater power as long as they can enforce it through legal and military means, but they also bear responsibility for the actions of the mercenaries over whom they are known to retain this power, and for whom they are presumed to call the shots. Conversely, when agreements with mercenaries are secret, the client-state does not have to take responsibility for the mercenaries' actions, but it also has far less control over those actions and over the terms of the relationship.

As a mercenary group grows stronger, a client-state's lack of control over it becomes a greater threat to the relationship, and eventually to the client-state itself. Weak states under direct, existential threat from rebel groups frequently hire mercenaries to strengthen their control over their territory, if they have the means to do so. Yet a weak state risks being overpowered by the mercenaries it hires as soon as it exhausts the resources it has to compensate them. This is a situation where the form of compensation sought by a mercenary group may influence its behavior, as it seems to have done for Executive Outcomes in Sierra Leone. Because Executive

Outcomes had formed commercial partnerships with some companies in the country already, and probably was already planning the future projects it developed in later years, it was motivated to seek stability by continuing to support the current government of Sierra Leone, even at a moment when the government no longer had enough money to honor its agreements with Executive Outcomes or even to cover the cost of the company's ongoing operations in the country (Avant, 2005:89-90; Howe, 1998:319). If Executive Outcomes had been seeking purely financial rewards, they would have pulled out of Sierra Leone as soon as the stream of cash funding dried up. Instead, they made the choice to alert Sierra Leone when they were informed of a planned coup against the government, rather than shifting their support to the group planning the coup in exchange for a short-term financial payment (Howe, 1998). If this pattern holds true for other strong mercenary groups, as it logically would, then that would tend to enhance the stability and predictability of the actions taken by mercenary companies that are receiving economic rather than purely financial rewards in the region where they are operating.

Generally speaking, institutionalized relationships are better both for client-states and also for individual mercenaries and small mercenary groups because they protect these weaker mercenaries from exploitation by strong clients and client-states. When these client-mercenary relationships are clearly regulated, the mercenary party has a realistic expectation of receiving the compensation promised to it by the client, the compensation that is motivating it to act. When third party regulation of the exchange relationship is lacking, exploitation of the weaker party will be the most likely result. This is clearly true of the Russian convicts who have been recruited to fight in Ukraine: the formal terms of their agreements with the state, if any, remain a state secret, and so they have no power to insist that the state honor its promise to them of a pardon or, for that matter, of compensation of any kind. Yet they are still motivated to accept the

recruitment offer (if they have any choice in the matter) because the only possible alternative they have is to remain in prison, under the direct and total control of the same state whose offer of a client relationship they would have just rejected. Short-term paid “gig” employment also holds few guarantees and few alternatives for individual mercenaries or for weak mercenary groups: without a legal agreement in place to perform a job in exchange for a clearly defined payment, they cannot count on collecting payment from the client afterwards.

Conclusion

In conclusion, client-mercenary relationships are business relationships which involve more than the exchange of money. These relationships can include more complex economic exchanges or the delivery of political and legal rewards. Each type of exchange illustrates different power relations: in some types the client may more easily exploit those they hire, while in others, mercenaries can exploit weak states to carve out a private kingdom for themselves. The importance of this report lies in outlining those relationships and debunking the common-sense assumption that mercenaries are always after money. Any attempt to regulate, monitor, and contain this kind of business engagement requires better understanding of what the clients involved are seeking to gain. Furthermore, this report underlines the potentially exploitative nature of these engagements, a phenomenon that has been addressed through the lens of inequality (Chisholm, 2014; Swed & Burland, 2020; 2022; Taussig-Rubbo, 2009) but that can also benefit from our different typology and approach.

Works Cited:

Abrahamsen, R., & Williams, M. C. (2007). Securing the city: Private security companies and non-state authority in global governance. *International relations*, 21(2), 237-253.

Akcinaroglu, S., & Radziszewski, E. (2013). Private military companies, opportunities, and termination of civil wars in Africa. *Journal of Conflict Resolution*, 57(5), 795-821.

Allison, O. (2015). Informal but diverse: The market for exported force from Russia and Ukraine. *The Market for Force: Privatization of Security across World Regions*, 87-102.

Arnold, G. (1999). *Mercenaries: Scourge of the Developing World*. Springer.

Avant, D. (2004). Mercenaries. *Foreign Policy* (July/August), 20-28.

Avant, D. (2005). *The market for force: The consequences of privatizing security*. Cambridge University Press.

Avant, D. (2005b). Private security companies. *New Political Economy*, 10(1), 121-131.

Bakke, K. M. (2014). Help wanted? The mixed record of foreign fighters in domestic insurgencies. *International Security*, 38(4), 150-187.

Batka, C., Dunigan, M., & Burns, R. (2020). Private military contractors' financial experiences and incentives. *Defense & Security Analysis*, 36(2), 161-179.

Belovodyev, D. and Systema. (2024). Storm gladiator: How Russia uses recruited convicts to fight in 'fierce' assault units in Ukraine. *Radio Free Europe Radio Liberty*. February 5, 2024. <https://www.rferl.org/a/russia-recruited-convicts-fierce-assault-units-storm-gladiator-/32806371.html>

Burmester, H. C. (1978). The recruitment and use of mercenaries in armed conflicts. *American Journal of International Law*, 72(1), 37-56.

Butler, J. S., Stephens, B., & Swed, O. (2019). Who are the private military and security contractors? A window to a new profession. Swed, O. & Crosbie, T. (Eds.) *The sociology of privatized security*, 237-258.

Camacho, P.R. (2015). Privatization of military capability has gone too far: A response to Lindy Heinecken's "Outsourcing public security: The unforeseen consequences for the military profession." *Armed Forces & Society* 41(1), 174-188.

Cameron, L. (2017). *The Privatization of peacekeeping: Exploring limits and responsibility under international law*. Cambridge: Cambridge University Press.

- Cancian, M. (2018). He's despised, he's reviled, but Erik Prince has a point about Afghanistan. *Forbes*. August 22, 2018. <https://www.forbes.com/sites/markcancian/2018/08/22/hes-despised-hes-reviled-but-erik-prince-has-a-point-about-afghanistan/?sh=17dbb1c656b4>
- Chisholm, A. (2014). The silenced and indispensable: Gurkhas in private military security companies. *International Feminist Journal of Politics*, 16(1), 26-47.
- Clive, W. & Dave, W. (2005). Contracting out war? Private military companies, law and regulation in the United Kingdom. *International & Comparative Law Quarterly* 54(3), 651-689.
- Cormac, R., & Aldrich, R. J. (2018). Grey is the new black: covert action and implausible deniability. *International Affairs*, 94(3), 477-494.
- Daumann, F. (2023). The client's struggle to control private military companies effectively. *Defense & Security Analysis*, 39(4), 432-451.
- Davies, V. A. (2010). Development co-operation and conflict in Sierra Leone. *Conflict, Security & Development*, 10(1), 57-76.
- Davis, J. (2000). *Fortune's Warriors*. Vancouver: Douglas & McIntyre.
- Del Prado, J. L. G. (2011). Impact on human rights of a new non-state actor: Private military and security companies. *The Brown Journal of World Affairs*, 18(1), 151-169.
- Dickinson, L. A. (2003). Contract as a tool for regulating private military companies. *Columbia Law Review*, 103, 1367.
- Dickinson, L.A. (2011). *Outsourcing war and peace: Preserving public values in a world of privatized foreign affairs*. New Haven, CT: Yale University Press.
- Dunigan, M. (2011). *Victory for hire: Private security companies' impact on military effectiveness*. Stanford University Press.
- Dunigan, M. (2014). The future of US Military contracting: Current trends and future implications. *International Journal* 69(4).
- Faite, A. (2004). Involvement of private contractors in armed conflict: Implications under international humanitarian law. *Defence Studies* 4, 166-183.
- Harding, J. (1997). The mercenary business: 'executive outcomes'. *Review of African Political Economy*, 24(71), 87-97.
- Hegghammer, T. (2013). Syria's foreign fighters. *Foreign Policy*, December 9, 2013. <https://foreignpolicy.com/2013/12/09/syrias-foreign-fighters/>

- Hoppe, C. (2008). Passing the buck: State responsibility for private military companies. *European Journal of International Law* 19(5), 989-1014.
- Howe, H. (1998). Private security forces and African stability: The case of Executive Outcomes. *The Journal of Modern African Studies* 36(2).
- Jenkins, P. (2009). How to clear up Blackwater: Bringing effective regulation to the private military industry. *Temple International & Comparative Law Journal*, 23(1), 177-204.
- Jones, O. R. (2008). Implausible deniability: State responsibility for the actions of private military firms. *Connecticut Journal of International Law*, 24, 239.
- Kim, V. (2023). The Wagner chief re-emerges in an apparent recruitment video. *The New York Times*. August 22, 2023. <https://www.nytimes.com/2023/08/22/world/europe/wagner-group-prigozhin-video.html>
- Kinsey, C. (2006). *Corporate Soldiers and International Security: The rise of private military companies*. New York: Routledge.
- Kinsey, C. (2007). Private security companies: Agents of democracy or simply mercenaries?. In *Private Military and Security Companies: Chances, Problems, Pitfalls and Prospects* (pp. 87-104). Wiesbaden: VS Verlag für Sozialwissenschaften.
- Kinsey, C. (2009). *Private contractors and the reconstruction of Iraq: Transforming military logistics*. Routledge.
- Kirchgaessner, S. (2017). Blackwater founder pitches plan to quell Libya migrant crisis with private police. *The Guardian*. November 30, 2017. <https://www.theguardian.com/world/2017/nov/30/blackwater-founder-pitches-plan-to-quell-libya-migrant-crisis-with-private-police>
- Kramer, A. (2017). Russia deploys a potent weapon in Syria: The profit motive. *The New York Times*, July 5, 2017.
- Kruck, A., & Spencer, A. (2013). Contested stories of commercial security: self-and media narratives of private military and security companies. *Critical Studies on Security*, 1(3), 326-346.
- Lawson, P. (2014). *The East India Company: A History*. Routledge.
- Leander, A. (2005). The power to construct international security: On the significance of private military companies. *Millennium*, 33(3), 803-825.
- Leander, A. (2006). *Eroding state authority? Private military companies and the legitimate use of force*. Soveria Mannelli, IT: Rubbettino.

- Leander, A. (2010). The paradoxical impunity of private military companies: Authority and the limits to legal accountability. *Security Dialogue* 41(5): 467-490.
- Leander, A. (2019). Making markets responsible: Revisiting the state monopoly on the legitimate use of force. In O. Swed & T. Crosbie (Eds.), *The Sociology of privatized security* (pp. 137-171). London: Palgrave Macmillan.
- Lehnardt, C. (2008). Individual liability of private military personnel under international criminal law. *European Journal of International Law* 19(5), 1015-1034.
- Lepage, J. (2008). *The French Foreign Legion: An Illustrated History*. London: McFarland.
- Liu, H.Y. (2015). *Law's impunity: Responsibility and the modern private military company*. London: Bloomsbury publishing.
- Lovett, I. (2023). Russia's Wagner Group says it no longer recruits Prisoners to fight in Ukraine. *The Wall Street Journal*. February 9, 2023.
<https://www.wsj.com/articles/russias-wagner-group-says-it-no-longer-recruits-prisoners-to-fight-in-ukraine-11675945752>
- Mahoney, C. W. (2021). Corporate Hackers. *Strategic Studies Quarterly*, 15(1), 61-89.
- Major, M. F. (1992). Mercenaries and international law. *Ga. J. Int'l & Comp. L.*, 22, 103.
- Malet, D. (2010). Why foreign fighters?: Historical perspectives and solutions. *Orbis*, 54(1), 97-114.
- Malet, D. (2013). *Foreign fighters: Transnational identity in civil conflicts*. Oxford University Press.
- Marten, K. (2019). Russia's use of semi-state security forces: the case of the Wagner Group. *Post-Soviet Affairs*, 35(3), 181-204.
- McFate, S. (2014). *The modern mercenary: Private armies and what they mean for world order*. Oxford University Press.
- McFate, S. (2008). Outsourcing the making of militaries: DynCorp International as sovereign agent. *Review of African Political Economy*, 35(118), 645-654.
- Mendelsohn, B. (2011). Foreign fighters—recent trends. *Orbis*, 55(2), 189-202.
- Milliard, T.S. (2003). Overcoming post-colonial myopia: A call to recognize and regulate private military companies. *Military Law Review* 176: 1-95.
- Moeder, R. (2023). *The Wagner Group: A Model for Future Russian Foreign Policy in Africa*. New Lines Institute.

Moore, A. (2019). *Empire's labor: The global army that supports US Wars* (p. 264). Cornell University Press.

Najibullah, F. & Navruzshoh, Z. (2023). Russian recruiters target central Asian migrants at mosques, dorms to join war in Ukraine. *RadioFreeEurope Radio Liberty*, April 18, 2023. <https://www.rferl.org/a/russia-recruits-central-asia-migrants-ukraine-war/32369341.html>

Neethling, T. (2023). Russian para-military operations in Africa: The Wagner Group as a de facto foreign policy instrument. *Scientia Militaria: South African Journal of Military Studies*, 51(1), 1-23.

News Wires. (2023). Russia pardons over 5,000 convicts after fighting in Ukraine with Wagner Group. *France 24*. March 25, 2023. <https://www.france24.com/en/russia/20230325-russia-pardons-over-5-000-convicts-after-fighting-in-ukraine-with-wagner-group>

O'Brien, K. A. (1998). Military-advisory groups and African security: Privatized peacekeeping?. *International Peacekeeping*, 5(3), 78-105.

Percy, S. (2007). *Mercenaries: The history of a norm in international relations*. Oxford: Oxford University Press.

Petersohn, U. (2014). The impact of mercenaries and private military and security companies on civil war severity between 1946 and 2002. *International Interactions*, 40(2), 191-215.

Pokharel, S., Chance, M. et al. (2024). Russia has recruited as many as 15,000 Nepalis to fight its war. *CNN*, February 11, 2024. <https://www.cnn.com/2024/02/10/asia/nepal-fighters-russia-ukraine-families-intl-cmd/index.html#:~:text=fight%20its%20war,-.Many%20returned,Some%20never%20came%20back&text=Ramchandra%20Khadka%20stood%20in%20front,in%20Moscow's%20war%20against%20Ukraine.>

Pokalova, E. (2023). The Wagner Group in Africa: Russia's quasi-state agent of influence. *Studies in Conflict & Terrorism*, DOI: [10.1080/1057610X.2023.2231642](https://doi.org/10.1080/1057610X.2023.2231642)

Pugliese, M. (2023). The International Legion of Ukraine: Exploring the background and motivations of foreign volunteers. *The RUSI Journal*, 1-13.

Radziszewski, E. (2023). Private military and security companies and human rights abuses: The impact of CEOs' military background. *Conflict Management and Peace Science*, 07388942231155396.

Reid, S. (2012). *Armies of the East India Company 1750–1850*. Bloomsbury Publishing.

Reno, W. (1997). African weak states and commercial alliances. *African Affairs*, 96(383), 165-186.

- Rothe, D. L., & Ross, J. I. (2010). Private military contractors, crime, and the terrain of unaccountability. *Justice Quarterly*, 27(4), 593-617.
- Scahill, J. (2007). *Blackwater: The rise of the world's most powerful mercenary army*. New York: Nation Books.
- Schaller, C. (2007). Private security and military companies under the international law of armed conflict. In T. Jäger & G. Kümmel, eds., *Private military and security companies* (pp. 345-360). Wiesbaden, Germany: VS Verlag für Sozialwissenschaften.
- Schaub, G. & Kelty, R. (Eds.). (2016). *Private military and security contractors: Controlling the corporate warrior*. Lanham, MD: Rowman & Littlefield.
- Shah, R. (2013). Beating Blackwater: Using domestic legislation to enforce the International Code of Conduct for private military companies. *Yale Law Journal*, 123, 2559.
- Sherman, J. (2015). The Markets for Force in Afghanistan. *The Markets for Force*, Ed. Petersohn and Dunigan, University of Pennsylvania Press: 103-117.
- Shuster, S. (2021). Exclusive: Documents reveal Erik Prince's \$10 billion plan to make weapons and create a private army in Ukraine. *Time*. July 7, 2021. <https://time.com/6076035/erik-prince-ukraine-private-army/>
- Singer, P. W. (2003). *Corporate warriors: The rise of the privatized military industry*. Cornell University Press.
- Swed, O. (2023). Fighting someone else's war. *Footnotes*.
- Swed, O., & Burland, D. (2022). Contractors in Iraq: Exploited class or exclusive club? *Armed Forces & Society*, 48(1), 3-24.
- Swed, O., & Burland, D. (2020). Outsourcing war and security. *Oxford Encyclopedia of the Military in Politics*. Oxford University Press.
- Swed, O., & Crosbie, T. (2017). Private security and military contractors: A troubling oversight. *Sociology Compass*, 11(11), e12512.
- Swed, O., Kwon, J., Feldscher, B., & Crosbie, T. (2020). The corporate war dead: New perspectives on the demographics of American and British contractors. *Armed Forces & Society*, 46(1), 3-24.
- Swed, O., & Materne, A. (2022). No accounting for bad contracting: Private military and security contracts and ineffective regulation in conflict areas. *Studies in Comparative International Development*, 57(1), 36-62.

Taussig-Rubbo, M. (2009). Outsourcing sacrifice: The labor of private military contractors. *Yale JL & Human.*, 21, 101.

Thompson, M. (2014). Ex-Blackwater Chief Urges Hired Guns to Take on ISIS. *Time*. October, 14., <https://time.com/3490414/isis-isil-blackwater/>

Tonkin, H. (2011). *State control over private military and security companies in armed conflict* (Cambridge Studies in International and Comparative Law, Vol. 80). Cambridge: Cambridge University Press.

Walsh, N. et al. (2023). Exclusive: Russian convicts say defense ministry is sending them from jail to fight as ‘cannon fodder’ in Ukraine. *CNN*, February 15.

Williamson, S. (2024). Do Proxies Provide Plausible Deniability? Evidence From Experiments on Three Surveys. *Journal of Conflict Resolution*, 68(2-3), 322-347.