

# Some Secondary Economic Costs of Hiring PSCs

**personnel and contract replacement**

**workers compensation**

**increased insurance premiums**

**evacuation and rescue costs**

**increased reconstruction costs**

**screening costs in selecting agents**

**negotiation costs**, *including building and institutional checks into principal-agent arrangements*

**monitoring costs**

- *police-patrol monitoring (direct monitoring by the principle)*
- *fire alarm monitoring (relying on third-party testimony or whistleblowing)*

**cost of sanctions<sup>1</sup>**

<sup>1</sup> Cockayne, James. "Make or Buy: Principal-Agent Theory and the Regulation of Private Military Companies." In *From Mercenaries to Market : The Rise and Regulation of Private Military Companies*, ed. Simon Chesterman and Chia Lehnardt, 196-216. Oxford: Oxford University Press, 2007, 198.

# Consequences of Hiring PSCs

## Costs of Doing (Government) Business

*Contractual Uncertainty*

*Traction*

*Not an Ideal Market*

*Defining Contractual Success*

*Becoming Dependent on PSCs*

*Walkouts, Strikes, and Dropped Contracts*

*Overcharging*

*Monies Wasted*

*Boom or Bust Cycle of War and Peace*

## Private Security and the Changing International Landscape

*Foreign Policy by Proxy*

*Security for Those Who Can Afford It*

*Threats from Private Groups*

*New Wars and PSCs*

## Control and Security Privatization

*Sub-sub-Contracting*

*Multiple (and Transnational) Stakeholders*

*Third Country Nationals*

*“Independent Contractors”*

*Shifting Companies*

## Public Good vs. the Private Good

*Alliances*

*International Reputation*

*Public and Private Spheres*

## In Bello Discrimination

# Consequences of Hiring PSCs

Kosten des Tätigens (des Regierungs-) Geschäfts,

Vertragsungewißheit,

Zugkraft,

Nicht ein idealer Markt,

Vertragserfolg definieren,

Von PSCs abhängig werden,

Arbeitsniederlegungen,

Schläge und fallengelassene

Verträge, Überlastung,

Gelder vergeudet, Hochkonjunktur-oder Fehlschlag-Zyklus des Krieges und des

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