

**SECURING LOGISTICS HUBS:  
The Role of Private Security**

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## INTRODUCTION

As global maritime trade continues to expand in volume, investments in transport infrastructure increase as well. In Latin America and the Caribbean, this is particularly evident in Chinese investments, for instance in ports and logistics hubs. While this type of transport infrastructure plays a critical role in facilitating global economic flows, it is also becoming a central focus of local, regional and international security concerns. Logistics hubs present a specific type of security challenge: these hubs must secure the increasing volume of goods that pass through them, while processing these same flows of goods as quickly and efficiently as possible.

Increasingly, the security of logistics hubs (often understood as a critical element in supply-chain security) is provided through public-private partnerships rather than by state security forces. This is explained in part by the widespread perception of corporate security providers as more efficient and less obtrusive. Such security partnerships often involve foreign rather than domestic actors, including transnational corporations but also overseas liaison officers. However, entrusting such actors with the responsibility of critical transport infrastructure is associated with certain problems, in terms of national sovereignty; the possibilities for ensuring oversight and a clear structure of authority; and labor issues. We start this brief paper with a discussion of the general trend towards security privatization. Next, we give an overview of the challenges involved in securing logistics hubs, ending

with a consideration of the specific issues that emerge when this type of supply chain security is provided by private stakeholders.

## **SECURITY PRIVATIZATION AND PLURALIZATION**

Across the world, many people no longer rely primarily on the police or the military for their protection. Increasingly, our lives and property are protected by formal and informal non-state security providers, from private commercial guards to neighborhood watches or even armed vigilantes. Of course, the state's monopoly on the legitimate use of violence has never been total; in most cases, this has always been more imagined than real. Nonetheless, in recent decades, governments have begun to 'responsibilize' citizens and businesses for safeguarding their own physical integrity and material belongings (Garland 1996). In the Caribbean as elsewhere, this has been closely associated with neoliberal policies, such as those pursued under structural adjustment programs. The move towards security privatization and pluralization is frequently justified as a means to reduce costs; it is often argued that commercial organizations can operate more efficiently than public sector organizations. The security sector is only one example of this privatization trend, which has also extended to many other previously state-owned services worldwide, from national postal services and public transport systems to healthcare and utilities companies.

This transfer of responsibility for security, from state to non-state actors, has resulted in a diversification of the agencies and agents that deliver security and policing services. This diversification is often characterized as a shift from police to policing: the activity of policing is performed by actors other than the police or military. State actors still play a role in security provision, but are often outflanked by non-state providers. The commercial security industry in particular has come to play a prominent role within this shift from police to policing.

In many places, including many Caribbean territories, private security guards and armed response officers far outnumber the public police. This is the case in Jamaica, where the number of private security guards is estimated to be twice as large as the number of JCF (Jamaica Constabulary Force) officers. Dozens of mainly local private security companies, ranging from small outfits to major corporations, have taken on many functions traditionally associated with the police, from crime prevention to the apprehension and prosecution of suspects (see also Epps 2013).

This shift towards private security provision should not necessarily be interpreted as the 'disappearance' of the state, or as the result of a 'weak state' unable to provide security. In many cases, for example, police and security companies enter into collaborative relationships, with private security bolstering state authority in 'a pluralized security landscape' (Loader and Walker 2007: 3). In Jamaica, for instance, many government agencies employ private security guards to protect public buildings and property, while there have also been attempts to promote information sharing and joint training between the JCF and private security companies. In addition, the Caribbean Maritime Institute, a government-run educational institution, collaborates with the private security company Security Administrators Ltd in offering a BSc degree in Security Administration and Management. In other cases, and especially where state security forces are underpaid, public and private forces may function as rivals: private companies may attempt to entice police and soldiers to become private guards with offers of better salary and equipment. This does not necessarily appear to be the case in Jamaica, where police officers and soldiers tend to enjoy significantly better salaries and working conditions, and a higher social status, than private security guards.

In many cases, the pluralization of security actors involves more than a shift from public to private actors. It also entails the presence of foreign rather than domestic security actors. This is visible in the commercial private security sector, where transnational corporations such as G4S and Brinks have a global presence. However, international security actors also include foreign state actors. While many Caribbean countries, including Jamaica, have a private security sector dominated by locally owned and operated companies, they are characterized by a significant presence of overseas liaison officers from Europe and North America. Officially, these foreign officers tend to have non-operational, advisory roles to national security organizations, such as border protection agencies and maritime security organizations. In practice, however, they often exercise investigative, surveillance and even coercive powers (Bowling 2010). Increasingly, the full spectrum of security actors – public and private, local and international – is involved in ensuring the security of critical transportation infrastructure such as logistics hubs.

## **THE CHALLENGE OF SECURING LOGISTICS HUBS**

Alongside infrastructure such as electricity, water and communication networks, logistics hubs are a type of 'critical infrastructure' that governments have come to see as particularly important in terms of security. In Europe and North America, the threat of a terrorist attack to seaports or airports is a primary concern. US-based initiatives such as the Container Security Initiative have sought to minimize the risk of maritime cargo containers being used for terrorism. For the Caribbean, however, terrorist organizations do not necessarily pose the most pressing threat. Rather, the region's longstanding position as a trade and travel hub makes it attractive to transnational criminal organizations. Ports are vulnerable nodes for illicit products such as drugs, weapons and counterfeit goods to enter

the supply chain, and for regular cargo to leave the supply chain through theft. The International Narcotics Control Board's 2014 annual report notes that Jamaica is the largest producer and exporter of cannabis in Central America and the Caribbean and that "the ports of Kingston and Montego Bay, which are used for the bulk movement of containerized shipments of cannabis herb and cocaine to Europe and North America, continue to experience serious issues involving corruption, violence, intimidation and the circumvention of legal controls" (INCB 2015: 51).

Logistics hubs pose a very specific challenge of balancing security and mobility, given that the transportation infrastructure involved is a special type with particular needs. While the main idea behind the workings of such hubs is to process the flows of goods efficiently, this process is also very vulnerable when analyzed from a security point of view. Logistics hubs, then, face a serious dilemma between the need for economic efficiency, on one hand, and for security, on the other. Economic efficiency is based on the idea of friction-less flows, connected to the revolution in logistics that started in the 1990's and aimed to make logistics seamless (Cowen 2014). Major investments in logistics allowed nation-states everywhere, including in the Caribbean, to participate in the global economy. While the majority of these investments went into logistics and transportation infrastructure, it became clear (especially after the 9/11 attacks in the United States) that securing the logistics flow would become extremely important as well. In the first decade of the twenty-first century, this priority came to be expressed in the idea of Supply Chain Security (SCS), intended to protect the flows and circulation of goods. In 2014, the Jamaica Customs Department revamped its Authorised Economic Operator (AEO) Programme, a certification system assessing the compliance of importers and other operators with global SCS standards. In the Caribbean more broadly, the adoption and implementation

of other global security initiatives in ports, such as the International Ship and Port Facility Security (ISPS) Code, have been associated with significant capital and operating costs for the ports, but also with some positive impacts: a decreased incidence of theft and good relationships between shipping lines and the ports (Babins 2006, see also Bowling 2010: 204).

The emphasis on security not only emerged from a concern with national security, but also because any kind of attack (whether terrorist, criminal or otherwise) could mean a disruption of logistic flows. And, as Deborah Cowen (2014: 56) notes, 'disruption is the Achilles heel of global logistics systems'. This points to one of the main challenges in securing logistics hubs: their vulnerability. The more seamless logistics flows are, the more security risks they entail. The quicker the processing of goods, the more parties are involved, and the more technology is involved, the greater the risk that these flows can be infiltrated, for example by thieves or smugglers. As Itty Abraham and Willem van Schendel (2005: 2) explain, 'Groups and individuals trafficking in illicit objects and substances ... tak[e] advantage of the unprecedented ease of communication and movement offered by the new social and technical infrastructures that gird the world today'.

While initially logistics security was fragmented, we now see the increasing concentration of such efforts within networks, aimed at the formation of more holistic security systems. In many cases, this concentration of efforts to secure logistic flows involves the establishment of public-private partnerships (PPPs) (Sheffi 2001). PPPs entail the collaboration of commercial (security) companies with government agencies such as border patrol, customs and so on, to ensure that the circulation of goods is both as secure, and as quick, as possible. Known successful examples of such PPPs are the collaboration of private security companies and government agencies at airports. In Kingston, the two main container terminals are

already managed by the private companies KCT Service Ltd and Kingston Wharves Ltd, who rely on the government agency Ports Security Corps Ltd (PSC) and the private company Security Administrators Ltd (SAL), respectively, for security provision.

## **IMPLICATIONS OF PRIVATIZED AND PLURALIZED SECURITY IN LOGISTICS HUBS**

As noted above, the complex security challenges that logistics hubs pose have often been addressed through private, plural or networked solutions. A common strategy is to introduce public-private logistics partnerships that include domestic and foreign actors. This 'new' multi-actor form of providing security raises a number of questions and concerns.

First, the tendency to decenter national public security forces can be understood as having implications for national sovereignty. Sovereignty involves control over a territory and its population, and also points our attention to the legitimate use of violence to protect citizens. In the case of logistics hubs, an important question is: who or what is being secured? Are we dealing with matters of national security, and the protection of Jamaican citizens – which would point to this being primarily a state concern? Or is it the protection of goods and corporate profits that is at stake – which would point to the interests of other, private entities? If logistics hubs are de facto governed by foreign and/or corporate entities – whether foreign governments, or companies such as the China Harbour Engineering Company, DHL, ZIM or Mærsk – can we expect them to prioritize national security, or should we accept the primary concern such private and foreign actors have for protecting commercial and overseas interests?

Second, and relatedly, it is often difficult to ensure oversight and maintain a clear structure of authority within public-private security arrangements.

The fragmented nature of private and plural security provision tends to complicate regulation. In many cases, state agencies outsource specific work through tenders to different private security companies, while still being in charge of oversight, training and policies. However, when security personnel is employed by private, commercial companies, authority structures can become unclear in practice, and responsibilities for employees and designated security tasks may become blurred. In the case of the Kingston Container Terminal, we see a blurring in the opposite direction, with security services purchased by the private company KCT Services Ltd from the government agency PSC being.

A third issue that should be taken into consideration relates to public trust and perceptions of private security. In contexts where police corruption is widespread, citizens may place more trust in non-state security agents than in the police. Thus, in contexts where police legitimacy is low (as is the case in various Caribbean territories), non-state security providers can play a positive role (see e.g. Baker 2010). In some cases, the private security industry may be at least as effective and accountable as the public security forces. However, it is of great importance that the private industry is strictly regulated, to prevent serious problems in terms of effectiveness, professionalism and democratic accountability (Loader 2000). To what extent are security workers in special trade zones pressured to abide by national law? How can we prevent private security providers from acting as vigilantes, and using violence to punish suspected criminals? While it is already difficult to hold the police accountable for corruption and human rights abuses, this is perhaps even more so in the case of private companies.

Fourthly, and connected to the previous point, is a concern about labor conditions. Worldwide, and certainly in the Caribbean, many private security officers are underpaid and lack basic labor rights. In complex environments

like logistics hubs, labor conditions may be exacerbated. The securitization of logistics hub is often accompanied by severe surveillance and control of labor; in 'sterile' zones accessible only to 'safe' people, labor law is regularly suspended in the name of security (Cowen 2014). These corporate practices, and associated tendencies to exclude 'high risk' laborers from the premises and often from employment itself, raise questions of privacy, racial profiling, labor rights and the like.

While these are all real and relevant concerns, security privatization may also have positive implications. In many cases, economic efficiency guides the decision to engage private security companies. While the public system is often believed to be slow and overly bureaucratic, commercial enterprises have more to gain and are generally expected to provide quicker and better service.

## CONCLUSION

In this brief essay, we have set out some of the general trends in security practices in general, and as they relate to logistics hubs in particular. As government ministers propose that developing a logistics-centered economy is key to improving Jamaica's global competitiveness, it is important to consider these trends carefully. In the Caribbean as elsewhere, security provision has become increasingly privatized, pluralized and globalized. This has involved one the one hand, the blurring of distinctions between public and private security providers, and, on the other hand, the blurring of different security threats, such as military (terrorism) and civilian (theft, fraud, smuggling) concerns. These trends are all visible in the case of logistics hubs, where so-called supply-chain security is often provided by networks of public and private, domestic and international actors. While we note that privatization and public-private partnerships are generally

expected to result in cheaper and more 'frictionless' security provision, we have also noted a number of concerns for Caribbean governments, including issues related to national sovereignty, effective regulation, corruption and labor rights.

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