

Governance, State Fragility, and Private Security Company Performance in Nigeria's Extractive Economy: A Comparative Analysis

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Abstract

The proliferation of private security companies (PSCs) in Africa's extractive economies has emerged as a critical dimension of contemporary security governance. This study examines the performance variations of PSCs across three African nations—the Democratic Republic of Congo (DRC), Nigeria, and South Africa—with particular emphasis on the Nigerian context. Employing a comparative cross-national methodology and analyzing data from the World Bank's World Governance Index (WGI) and the State Fragility Index, this research investigates how governance quality and state capacity influence PSC operational effectiveness in resource-rich environments. Findings indicate that weak governance structures and elevated state fragility correlate significantly with poor PSC performance, manifesting in regulatory challenges, institutional malfeasance, and collaboration with illicit operations. In Nigeria, governance deficits compound the complexities of security privatization in the oil-rich Niger Delta region, where PSCs engage both former militants and conventional security personnel. The study reveals that South Africa, despite possessing relatively stronger governance frameworks, faces persistent enforcement challenges. These findings contribute to the broader discourse on security sector reform and privatization in developing economies, offering insights for policymakers seeking to enhance regulatory frameworks governing PSCs in Nigeria and similar extractive economies across Africa.

Keywords: Private security companies, governance, state fragility, extractive industries, Nigeria, security privatization, regulatory frameworks

1. Introduction

The increasing complexity of security challenges in resource-rich African economies has catalyzed a fundamental transformation in security provision, marked by the expansion of private security companies (PSCs) as significant actors in national and regional security architectures (Abrahamsen & Williams, 2009). This phenomenon reflects a broader global trend toward the privatization of security functions traditionally monopolized by the state, driven by evolving threat landscapes, state capacity constraints, and the imperatives of protecting critical infrastructure in extractive industries (Chesterman & Lehnardt, 2007). In Nigeria, Africa's largest oil producer and a nation

endowed with substantial mineral resources, the role of PSCs has become particularly pronounced, especially in the volatile Niger Delta region where petroleum extraction operations face persistent threats from militancy, pipeline vandalism, and organized criminal networks (Nemeth, 2022).

The Nigerian context presents a compelling case for examining PSC performance within Africa's extractive economies. Since the discovery of commercial oil quantities in 1956 and subsequent large-scale exploitation beginning in the 1970s, Nigeria's petroleum sector has generated substantial revenue while simultaneously becoming a locus of complex security challenges (OPEC, n.d.). The Niger Delta region, where most oil production activities are concentrated, has experienced decades of resource-related conflicts, environmental degradation, and socio-economic marginalization, culminating in militant movements such as the Movement for the Emancipation of the Niger Delta (MEND) and subsequent criminal networks engaged in oil theft and pipeline vandalism (Adibe et al., 2018). These security threats have necessitated extensive private security arrangements, with multinational oil corporations and the Nigerian government increasingly relying on PSCs to complement conventional security forces.

Despite the widespread deployment of PSCs in Nigeria's extractive sector, significant questions remain regarding their operational effectiveness and the factors that mediate their performance (Enns et al., 2020). The sector is characterized by persistent challenges including regulatory ambiguities, corruption allegations, conflicts of interest involving political elites, and tensions between PSCs and conventional security agencies. The 2009 Presidential Amnesty Programme, which integrated former militants into pipeline surveillance contracts, further complicated the security landscape by introducing non-traditional actors into formal security arrangements. These dynamics raise critical questions about the institutional and contextual factors that shape PSC performance in Nigeria compared to other African nations with substantial extractive industries.

This study addresses these questions through a comparative analysis of PSC performance across three African countries—Nigeria, the Democratic Republic of Congo (DRC), and South Africa—each representing distinct governance contexts and state capacity levels within the continent's extractive economy landscape (Bannon & Collier, 2003). While all three nations possess significant natural resources and active PSC sectors, they exhibit marked variations in governance quality, state fragility, and regulatory frameworks governing private security operations. By examining these cases comparatively while maintaining particular focus on the Nigerian context, this research seeks to identify the governance and institutional factors that account for performance variations among PSCs operating in African extractive economies.

1.1 Research Objectives and Questions

This study pursues three primary objectives: first, to examine the operational landscape of PSCs in Nigeria's extractive economy within the broader African context; second, to analyze the relationship between governance quality, state fragility, and PSC performance across comparative cases; and third, to identify institutional and regulatory factors that mediate PSC effectiveness in resource-rich environments. The research is guided by the following central questions: How does governance quality influence PSC performance in African extractive economies? To what extent does state fragility shape the operational effectiveness of PSCs? What role do regulatory frameworks and public-private security collaboration play in determining PSC performance outcomes?(World Bank, 2022) How do the characteristics and backgrounds of PSC personnel intersect with governance structures to affect performance?(Fund for Peace, 2024) These questions are addressed through systematic comparative analysis informed by empirical data from multiple

sources including the World Bank's World Governance Index, the State Fragility Index, and country-specific reports on private security operations.

2. Theoretical Framework and Literature Review

2.1 Conceptualizing Security Privatization in Extractive Economies

The proliferation of PSCs represents a significant departure from the Weberian conception of the state as the sole legitimate wielder of coercive force within defined territorial boundaries (Abrahamsen & Williams, 2011). Scholarly discourse on security privatization has evolved from initial concerns about the erosion of state sovereignty and potential human rights violations to more nuanced analyses examining the conditions under which private security actors can complement or complicate public security provision (Avant, 2005). This evolution reflects growing recognition that security privatization is neither inherently beneficial nor detrimental, but rather produces variable outcomes contingent upon institutional contexts, regulatory frameworks, and the quality of public-private coordination mechanisms.

In extractive economies, the imperative for private security arises from multiple converging factors. The high-value, geographically dispersed nature of extractive operations creates concentrated targets vulnerable to various security threats including theft, sabotage, kidnapping, and insurgent attacks. Simultaneously, many resource-rich states in Africa exhibit characteristics of what has been termed the "resource curse," whereby natural resource wealth paradoxically correlates with weak institutions, poor governance, and elevated conflict risk (Ross, 1999). These conditions create both demand for private security services and an operational environment characterized by governance deficits that complicate PSC effectiveness. The Nigerian experience exemplifies this dynamic, where oil wealth has coincided with endemic corruption, regional inequalities, and persistent security challenges in resource-producing areas (Collier & Hoeffler, 2004).

2.2 Governance and Private Security Company Performance

Governance quality emerges as a critical determinant of institutional performance across public and private sectors (Kaufmann et al., 2010). The World Bank's governance framework encompasses six dimensions: voice and accountability, political stability and absence of violence, government effectiveness, regulatory quality, rule of law, and control of corruption (Kaufmann et al., 2010). Each dimension exerts distinct yet interconnected influences on the operational environment within which PSCs function. Regulatory quality determines the clarity, comprehensiveness, and consistency of legal frameworks governing PSC licensing, operations, and oversight (Knott & Payne, 2004). Rule of law affects the enforceability of contracts, accountability for misconduct, and predictability of the business environment. Control of corruption influences whether PSCs operate within ethical boundaries or engage in rent-seeking behavior that undermines their security provision mandate (Rothstein, 2011).

Empirical evidence from various contexts suggests that governance quality significantly mediates PSC performance outcomes (Opata, 2013). In environments characterized by robust governance, PSCs tend to exhibit greater professionalism, adherence to regulatory standards, and effectiveness in security provision (Private Security Governance Observatory, 2024). Conversely, weak governance creates conditions conducive to PSC underperformance, manifesting in inadequate training, human rights violations, corruption, and collaboration with illicit actors (Bala & Tar, 2021). The Nigerian case illustrates these dynamics particularly clearly, with persistent allegations

of PSC involvement in extortion, collusion with oil thieves, and tensions with conventional security forces reflecting broader governance deficits in the security sector (AFRILAW, 2019).

2.3 State Fragility and Security Sector Performance

State fragility encompasses multiple dimensions including security apparatus capacity, political legitimacy, economic management, and social cohesion (Fund for Peace, 2024). Fragile states exhibit limited capacity to perform core governmental functions including security provision, creating vacuums that non-state actors including PSCs may fill (Branović, 2011). The relationship between state fragility and PSC performance is complex and potentially contradictory. On one hand, state weakness creates demand for private security services and may enhance PSC market opportunities. On the other hand, the same conditions that produce state fragility—weak institutions, limited regulatory capacity, corrupt practices—simultaneously constrain PSC effectiveness by creating an environment lacking the infrastructure necessary for professional private security operations (World Bank, 2011).

Research on security privatization in fragile states reveals that PSCs operating in such contexts frequently face challenges including inadequate oversight, unclear legal frameworks, and pressures to engage in practices that would be unacceptable in more stable governance environments (Blüme, 2021). In Nigeria, state fragility manifests unevenly across different regions and security domains, with particular weakness in areas experiencing resource-related conflicts (Anten et al., 2012). The limited capacity of regulatory agencies such as the National Security and Civil Defence Corps to effectively monitor and enforce compliance among Nigeria's hundreds of registered PSCs reflects broader patterns of state fragility that affect the private security sector's operational standards and effectiveness (Ijaiya et al., 2019).

2.4 Public-Private Security Collaboration

Effective public-private partnerships in the security domain require well-defined roles, structured communication channels, and mechanisms for coordination and information sharing (Wigell et al., 2021). Research indicates that PSC performance improves when these companies operate within frameworks that facilitate collaboration with public security agencies while maintaining clear boundaries and accountability structures (Feldman, 2017). Such partnerships can enhance situational awareness, improve response times, and leverage complementary capabilities between public and private security actors. However, successful collaboration depends upon mutual trust, respect for respective jurisdictions, and regulatory frameworks that clarify the appropriate scope of private security operations relative to state security functions (Heydari, 2022).

In Nigeria, public-private security collaboration has been complicated by institutional rivalry, unclear delineations of authority, and incidents suggesting cooperation between some PSC personnel and criminal actors (Oladele, 2020). The tensions between Tantita Security Services, a PSC awarded pipeline surveillance contracts, and the Nigerian Navy exemplify the challenges of achieving effective coordination between private and public security actors. These tensions reflect not only personal or organizational rivalries but also deeper structural issues related to unclear regulatory frameworks, inadequate mechanisms for coordination, and the absence of trust that would enable productive collaboration (Dickinson, 2013). Addressing these challenges requires comprehensive regulatory reform and institutionalization of collaborative frameworks that can enhance rather than undermine overall security effectiveness (Dickinson, 2013).

3. Research Methodology

3.1 Research Design and Philosophical Foundations

This study employs a qualitative comparative case study approach grounded in interpretivist epistemology (Ryan, 2018). Interpretivism emphasizes the importance of understanding social phenomena through the meanings that actors assign to their experiences and recognizes that social reality is subjectively constructed rather than objectively given. This philosophical orientation is particularly appropriate for examining PSC performance across different national contexts, as it acknowledges that seemingly similar institutions may function quite differently depending upon historical trajectories, cultural contexts, and specific governance configurations. The interpretivist framework allows for rich, contextually-grounded analysis that can capture the nuances of how governance structures and state capacity interact with private security operations in distinct national settings. The comparative case study design facilitates systematic examination of PSC performance across Nigeria, the Democratic Republic of Congo, and South Africa (Economist Intelligence Unit, 2022). These cases were selected based on several criteria: all three are major players in Africa's extractive economy, each possesses substantial PSC sectors, and they represent distinct positions along governance and state fragility spectrums. This variation enables analysis of how different governance contexts and state capacity levels affect PSC performance. Nigeria occupies a middle position between the DRC's more severe governance challenges and South Africa's relatively stronger institutional framework, making it an especially instructive case for understanding the relationship between institutional quality and private security outcomes.

3.2 Data Sources and Collection

Data for this study derive from multiple authoritative sources to ensure comprehensive coverage of governance indicators, state fragility metrics, and PSC operational characteristics (World Bank, 2022). The World Bank's World Governance Index provides standardized measures across six governance dimensions for the period 2012-2022, enabling systematic comparison of governance quality trends across the three case study countries (World Bank, 2022). The Fund for Peace State Fragility Index offers complementary metrics assessing state capacity and stability (Fund for Peace, 2024). These quantitative indicators are supplemented with qualitative data from the Private Security Governance Observatory, which maintains detailed country profiles documenting regulatory frameworks, PSC operational practices, and identified challenges within national private security sectors (Private Security Governance Observatory, 2024).

Additional data sources include official government publications, legislative documents, media reports documenting PSC-related incidents and controversies, and academic literature analyzing security sector dynamics in the selected countries. For Nigeria specifically, sources include reports from the National Security and Civil Defence Corps, analyses of the Private Guard Companies Act and associated regulations, and media coverage of incidents involving PSCs in the Niger Delta region (AFRILAW, 2019). This multi-source approach enables triangulation, enhancing the reliability and validity of findings while capturing both quantitative governance metrics and qualitative operational dynamics that statistics alone cannot convey.

3.3 Analytical Framework

Analysis proceeds through systematic comparison of governance indicators, state fragility measures, and documented PSC performance characteristics across the three case studies. Governance scores from the WGI are examined across all six dimensions to identify patterns and trends in each country. These quantitative governance measures are then systematically related to

qualitative evidence regarding PSC operational effectiveness, regulatory compliance, human rights records, and collaboration with public security agencies. State fragility indicators are similarly analyzed in relation to documented PSC performance issues, enabling assessment of how state capacity constraints affect private security operations. The comparative dimension allows identification of common patterns as well as country-specific dynamics, with particular attention to factors that distinguish the Nigerian experience within the broader African extractive economy context.

4. Findings and Analysis

4.1 Private Security Companies in Nigeria's Extractive Economy

Nigeria's private security sector has expanded significantly since the establishment of the first PSC, Nigeria Investigation Security Company (NISCO), in 1965 (Gumedze, 2007). By 2018, the sector employed approximately 828,505 personnel nationwide, representing substantial growth from 771,478 in 2016 (AFRILAW, 2019). Major companies including Group4Securicor, Bemil Security, Hallogen Security, and Outsourcing Servicing Ltd hold contracts with the federal government and multinational corporations operating in the extractive sector, particularly in the petroleum industry. The sector provides diverse services including facility security, cash-in-transit protection, surveillance technology installation, and pipeline monitoring.

The Niger Delta region presents particularly complex security challenges that have shaped Nigeria's approach to PSC utilization in the extractive sector (AFRILAW, 2019). Decades of environmental degradation, economic marginalization, and resource-related grievances culminated in militant movements that severely disrupted oil production through attacks on facilities and personnel (Adibe et al., 2018). The 2009 Presidential Amnesty Programme sought to address these challenges by integrating former militants into formal security arrangements, including PSC contracts for pipeline surveillance. This initiative introduced unique dynamics into Nigeria's private security landscape, as companies employ not only former conventional security personnel and civilians but also ex-militants with intimate knowledge of local terrain and informal networks. Regulatory oversight of PSCs in Nigeria falls under the National Security and Civil Defence Corps (NSCDC), operating under frameworks established by the Private Guard Companies Act of 1986 and the Private Guard Companies Regulations of 2018 (AFRILAW, 2019). These regulations mandate that PSCs maintain former commissioned security officers on their boards and obtain arms support from the NSCDC Arms Squad when weapons are required for operations. Despite these formal frameworks, implementation challenges persist. Evidence suggests widespread difficulties in regulatory enforcement, with growing numbers of unregistered PSCs operating outside official oversight (AFRILAW, 2019). The sector faces multiple challenges including political elite ownership creating conflicts of interest, high registration costs encouraging informal operations, inadequate training standards, poor working conditions, and instances of personnel misconduct.

4.2 Comparative Analysis: DRC, Nigeria, and South Africa

The Democratic Republic of Congo presents a context of severe governance challenges and acute state fragility (Branović, 2011). With some of the world's richest mineral deposits including cobalt, copper, diamonds, and gold, the DRC has experienced prolonged conflict and institutional weakness that create both demand for private security and obstacles to effective PSC operations (Economist Intelligence Unit, 2022). Mining companies operating in conflict-affected areas rely heavily on PSCs for protection of personnel and facilities. However, the regulatory framework

governing PSCs remains weak and inconsistently enforced. The sector is characterized by inadequate oversight, insufficient training, poor working conditions, and documented instances of PSC personnel misconduct including theft and human rights violations (Branović, 2011). Tensions between PSCs and conventional security forces have been sufficiently severe that President Tshisekedi temporarily banned foreign PSCs in 2019, though this decision reflected as much concern about PSC operations as about complex PSC-military relationships.

South Africa occupies a distinct position within this comparative framework, possessing Africa's most developed private security sector with over 522,000 registered security personnel and 8,916 PSCs as of recent data (Gumedze, 2008). The sector's growth accelerated following apartheid's end in 1994, driven by rising crime rates, public mistrust of police effectiveness, and demobilization of South African Defence Force personnel who transitioned into private security employment (Gumedze, 2008). Unlike the DRC and Nigeria, South Africa maintains more comprehensive regulatory frameworks through the Private Security Industry Regulation Act (PSIRA) of 2001, supplemented by legislation addressing mercenary activities and foreign military assistance (Gumedze, 2020). The sector benefits from a relatively strong rule of law tradition and more effective government institutions compared to the DRC and Nigeria.

However, South Africa still faces significant challenges in private security regulation. Despite formal frameworks, enforcement capacity remains limited, and many PSCs operate with minimal effective oversight (Mienie, 2020). The sector confronts issues including regulatory evasion, compliance problems, and negative public perceptions linked to criminal activity by some security personnel. The ratio of private security personnel to police officers exceeds four to one, reflecting both public demand for alternatives to state security provision and the scale of challenges in maintaining adequate oversight (BusinessTech, 2023). Nevertheless, South Africa's lower fragility levels enable more systematic oversight structures and clearer role delineation between public and private security actors, contributing to generally superior PSC performance compared to the other cases despite persistent challenges.

4.3 Governance Quality and PSC Performance: Empirical Patterns

Editorial note: the sub-indicator figures cited in this section are attributed to the World Bank's Worldwide Governance Indicators database (World Bank, 2022), which is the correct source for this type of data. However, the specific decimal ranges reported below could not be independently reproduced from the live WGI database and should be re-verified by the author(s) against the current dataset before submission.

Systematic analysis of World Governance Index data from 2012-2022 reveals clear patterns linking governance quality to PSC performance outcomes across the three cases (World Bank, 2022). The Democratic Republic of Congo exhibits consistently poor governance scores across all six WGI dimensions, with particularly severe deficits in control of corruption (ranging from -1.33 to -1.59), government effectiveness (-1.46 to -1.75), and rule of law (-1.46 to -1.82). These governance weaknesses directly correspond to documented PSC performance problems including inadequate training, poor working conditions, insufficient regulatory oversight, and personnel misconduct (World Bank, 2022). The absence of effective regulatory quality (scores between -1.26 and -1.52) creates an environment where legal frameworks governing PSCs exist nominally but lack meaningful enforcement, enabling substandard practices and limiting PSC effectiveness in security provision.

Nigeria's governance indicators occupy an intermediate position between the DRC and South Africa, though closer to DRC levels on several dimensions. Control of corruption scores range

from -1.02 to -1.28, government effectiveness from -0.99 to -1.21, and regulatory quality from -0.68 to -1.16 over the period examined (World Bank, 2022). These governance deficits manifest in PSC performance through multiple channels. Weak regulatory quality contributes to the proliferation of unregistered PSCs operating outside formal oversight structures. Poor control of corruption enables political elite ownership of PSCs, creating conflicts of interest that undermine regulatory enforcement (AFRILAW, 2019). Limited government effectiveness constrains the capacity of the NSCDC to monitor compliance and enforce standards across hundreds of registered companies. These governance-related challenges combine to produce a private security sector characterized by significant performance gaps despite formal regulatory frameworks.

South Africa demonstrates markedly superior governance performance relative to Nigeria and the DRC, though with evidence of recent deterioration. Government effectiveness scores remained positive through most of the period (ranging from -0.13 to 0.31), while voice and accountability consistently exceeded 0.58 (World Bank, 2022). Rule of law, though declining in recent years, remained substantially higher than in the other cases (ranging from -0.24 to 0.16). These stronger governance indicators correlate with more systematic PSC regulation, evidenced by comprehensive legislative frameworks, higher rates of formal registration, and more effective oversight mechanisms (World Bank, 2022). However, South Africa still exhibits governance weaknesses that affect PSC performance, particularly in regulatory quality (declining from 0.40 in 2012 to -0.19 in 2022) and control of corruption (-0.18 to -0.32). These deficits manifest in enforcement challenges, with many PSCs evading full regulatory compliance despite formal requirements (World Bank, 2022).

4.4 State Fragility Dimensions and Private Security Operations

Analysis of State Fragility Index data reveals significant variation in state capacity across the three cases, with corresponding implications for PSC performance (Fund for Peace, 2024). The DRC exhibits high state fragility across multiple dimensions including security apparatus effectiveness, economic management, and service delivery capacity. This fragility creates a paradoxical situation for PSCs: weak state capacity generates substantial demand for private security services while simultaneously creating an operational environment that impedes professional PSC operations (Branović, 2011). The absence of effective state institutions means PSCs lack reliable public security partners for coordination, must often negotiate with multiple armed actors including rebel groups and local militias, and operate without the regulatory infrastructure necessary to maintain professional standards. State fragility thus simultaneously enables PSC market expansion and constrains PSC effectiveness.

Nigeria manifests state fragility unevenly across different regions and sectors, with particular weakness in areas experiencing resource-related conflicts (Fund for Peace, 2024). The security apparatus demonstrates limited effectiveness in regions like the Niger Delta and zones affected by insurgency, creating space for PSC operations while complicating public-private coordination (AFRILAW, 2019). State fragility in Nigeria manifests not as comprehensive institutional collapse but as selective incapacity in specific domains and regions. The federal government maintains functioning institutions in many spheres while exhibiting severe limitations in others. This selective fragility affects PSCs through inconsistent regulatory enforcement, variable security cooperation depending on region and circumstance, and unclear boundaries between legitimate private security and extralegal armed groups (AFRILAW, 2019). The incorporation of former militants into formal PSC arrangements further blurs these boundaries, reflecting state efforts to

manage fragility through accommodation rather than overcoming capacity constraints through institutional strengthening.

South Africa demonstrates lower state fragility compared to Nigeria and the DRC, with more effective institutions and greater state capacity. However, the country still experiences fragility manifestations including high crime rates, public security force capacity constraints, and uneven service delivery across different regions and population groups (Gumedze, 2008). These fragility elements drive demand for private security while creating challenges for PSC regulation. The large scale of South Africa's private security sector relative to public police forces reflects both public demand for alternatives to state security provision and state capacity limitations in ensuring public safety (BusinessTech, 2023). Nevertheless, South Africa's lower fragility levels enable more systematic oversight structures and clearer role delineation between public and private security actors, contributing to generally superior PSC performance compared to the other cases despite persistent challenges.

4.5 Personnel Background and Public-Private Security Relations

The backgrounds and characteristics of PSC personnel emerge as significant factors mediating performance outcomes across all three cases, though with distinct patterns in each country (Berndtsson, 2012). All three nations demonstrate reliance on former security force personnel for PSC staffing, reflecting both the relevant expertise such individuals possess and regulatory frameworks that often mandate security sector experience for PSC leadership positions (Berndtsson, 2012). However, the implications of this pattern vary depending on the quality of conventional security forces from which PSC personnel are drawn and the nature of relationships between PSCs and public security agencies.

In Nigeria, PSC personnel composition reflects the unique security landscape of the extractive sector, particularly in the Niger Delta region. The sector employs three distinct categories of personnel: former conventional security force members, civilian employees, and ex-militants integrated through the Presidential Amnesty Programme (Stakeholder Democracy Network, 2021). This heterogeneous composition creates complex dynamics affecting both PSC operations and relations with public security agencies. Former security force personnel bring professional training and established relationships with conventional security structures, potentially facilitating coordination. However, the presence of ex-militants with histories of confrontation against state security forces and oil companies introduces tensions and trust deficits (Stakeholder Democracy Network, 2021). Incidents such as confrontations between Tantita Security Services and the Nigerian Navy reflect these underlying tensions, which are exacerbated by unclear jurisdictional boundaries and inadequate frameworks for public-private coordination.

South Africa's PSC sector expanded significantly following the transition from apartheid, absorbing many demobilized South African Defence Force members and police officers who resigned during post-apartheid restructuring (Gumedze, 2008). This personnel base generally possesses relevant training and experience, contributing to relatively higher professionalism compared to many PSCs in other African contexts. The historical relationship between PSC personnel and conventional security forces tends to be less adversarial than in Nigeria or the DRC, facilitating somewhat smoother coordination (Gumedze, 2008). However, challenges remain including variations in training quality, instances of criminal activity by PSC personnel, and the sheer scale of the private security sector creating oversight difficulties. The four-to-one ratio of private security personnel to police officers reflects how extensively South Africa has outsourced

security functions to the private sector, creating dependencies that complicate efforts to strengthen public security capacity.

5. Discussion: Governance, State Capacity, and PSC Performance Dynamics

The empirical findings presented above support the central argument that governance quality and state capacity significantly mediate PSC performance in African extractive economies, with the Nigerian case exemplifying these dynamics within a context of intermediate governance and selective state fragility (Kaufmann et al., 2010). The relationship between governance and PSC performance operates through multiple mechanisms. First, regulatory quality determines whether comprehensive legal frameworks govern PSC operations, affecting licensing requirements, operational standards, accountability mechanisms, and oversight procedures (Jamali et al., 2008). Second, rule of law influences enforcement of regulations and consequences for non-compliance, shaping whether legal frameworks translate into actual operational practices (Roxas et al., 2012). Third, control of corruption affects whether PSC sector participants prioritize security provision or rent-seeking, and whether political connections substitute for professional competence in obtaining contracts (Rothstein, 2011). Fourth, government effectiveness determines regulatory agency capacity to monitor compliance and enforce standards across potentially hundreds or thousands of companies (Knott & Payne, 2004).

Nigeria's position along the governance spectrum illuminates these mechanisms particularly clearly. The country possesses formal regulatory frameworks comparable in comprehensiveness to those in better-governed contexts, including detailed licensing procedures, operational requirements, and oversight structures (AFRILAW, 2019). However, weak governance across multiple dimensions undermines framework implementation. Limited control of corruption enables political elites to own PSCs while holding positions affecting regulatory enforcement, creating conflicts of interest that compromise oversight. Weak government effectiveness constrains the NSCDC's capacity to monitor the extensive private security sector effectively. Poor regulatory quality manifests in gaps, inconsistencies, and ambiguities within legal frameworks that PSCs exploit to evade full compliance (AFRILAW, 2019). The result is a significant gap between formal regulations and actual practices, with many PSCs operating outside effective oversight despite nominal registration.

State fragility compounds governance deficits in shaping PSC performance outcomes. In highly fragile contexts like the DRC, PSCs face operational environments where state institutions exercise minimal effective authority over large territories, armed non-state actors challenge state security forces, and basic infrastructure supporting professional operations may be absent (Branović, 2011). These conditions create a ceiling on potential PSC performance regardless of individual company capabilities. Even well-intentioned, professionally-staffed PSCs struggle to operate effectively when the broader governance and security environment is characterized by instability and institutional weakness. Nigeria exhibits selective fragility with particular severity in resource-producing regions affected by prolonged conflict and grievance, creating zones where state authority is contested and security provision requires negotiation with multiple armed actors including militant groups and criminal networks (Fund for Peace, 2024).

The intersection of governance quality, state capacity, and PSC personnel characteristics produces distinct performance patterns across the three cases. In the DRC, severe governance deficits and acute fragility combine with limited PSC professionalization to produce widespread performance problems including misconduct, inadequate training, poor working conditions, and limited effectiveness in security provision (Branović, 2011). In South Africa, relatively stronger

governance and lower fragility enable more systematic oversight and clearer operational standards, though enforcement gaps persist and the sector's enormous scale creates monitoring challenges (Mienie, 2020). Nigeria occupies an intermediate position where formal frameworks exist but weak governance and selective fragility undermine implementation, producing highly variable PSC performance depending on specific companies, regions, and the political connections of PSC owners. The unique dimension of Nigeria's PSC sector involving former militants integrated through the Presidential Amnesty Programme warrants particular attention (Stakeholder Democracy Network, 2021). This arrangement reflects pragmatic state responses to specific conflict dynamics in the Niger Delta, attempting to co-opt potential security threats by incorporating ex-militants into formal security structures. However, it also introduces complications for PSC professionalism and effectiveness. Former militants often lack formal security training, may maintain informal networks and loyalties outside official structures, and can face distrust from conventional security forces and oil companies (Stakeholder Democracy Network, 2021). Their inclusion in PSCs sometimes appears motivated more by political accommodation than security effectiveness, and allegations of PSC involvement in oil theft suggest that some ex-militants may leverage security positions to facilitate rather than prevent criminal activity. These dynamics reflect how state fragility and governance weakness can produce security arrangements that perpetuate rather than resolve underlying problems.

6. Conclusion and Policy Implications

This study demonstrates that variations in private security company performance across African extractive economies are significantly mediated by governance quality and state capacity, with these institutional factors interacting with PSC personnel characteristics to produce distinct performance outcomes (Kaufmann et al., 2010). The Nigerian case, examined here within the broader African context, exemplifies how intermediate governance levels and selective state fragility create challenges for effective PSC regulation and performance. While Nigeria possesses formal regulatory frameworks comparable to those in better-governed contexts, weak implementation arising from limited control of corruption, poor government effectiveness, and inadequate regulatory quality undermines these frameworks, producing substantial gaps between nominal regulations and actual practices (AFRILAW, 2019).

Several policy implications emerge from these findings. First, improving PSC performance in Nigeria and similar contexts requires comprehensive governance reforms extending beyond the private security sector itself (Dickinson, 2013). Addressing corruption, strengthening regulatory institutions, and enhancing government effectiveness are prerequisites for effective PSC oversight. Sector-specific regulations alone cannot compensate for broader governance deficits that affect implementation capacity and enable regulatory evasion. Second, regulatory frameworks must address the specific challenges arising from heterogeneous PSC personnel composition, particularly the integration of ex-militants in Nigeria's case (Stakeholder Democracy Network, 2021). This requires establishing clear professional standards, mandatory training requirements, and robust vetting procedures that can ensure personnel competence while accommodating political imperatives for conflict resolution.

Third, effective public-private security coordination requires institutional frameworks that clarify roles, establish communication channels, and build trust between PSCs and conventional security forces (Wigell et al., 2021). In Nigeria, tensions between PSCs and public security agencies reflect inadequate coordination mechanisms and unclear jurisdictional boundaries (Oladele, 2020). Developing formal coordination structures, joint training exercises, and clear protocols for

information sharing could enhance overall security effectiveness while reducing tensions (Feldman, 2017). Fourth, addressing state fragility in resource-producing regions requires comprehensive approaches that combine security measures with socio-economic development and political inclusion. Security privatization alone cannot resolve underlying conflicts and grievances that drive insecurity in extractive zones (Bannon & Collier, 2003).

This study contributes to scholarly understanding of security privatization in developing contexts by demonstrating how institutional factors mediate PSC performance outcomes (Avant, 2005). While much literature on private military and security companies focuses on operational practices, ethical concerns, or international regulations, this research highlights the importance of domestic governance quality and state capacity in shaping PSC effectiveness (Abrahamsen & Williams, 2009). The comparative dimension illuminates how similar private security arrangements produce different results depending on governance contexts, while detailed examination of the Nigerian case reveals specific mechanisms through which governance deficits and state fragility affect PSC operations in extractive economies. Future research should expand this analysis in several directions. First, longitudinal studies tracking PSC performance over time in relation to governance changes could provide stronger causal evidence regarding the relationship between institutional quality and private security outcomes. Second, examination of additional case studies across different regions and resource sectors could test the generalizability of findings beyond the three cases examined here. Third, research incorporating perspectives from PSC personnel themselves could illuminate how governance conditions affect daily operational decision-making and professional practices. Fourth, analysis of specific regulatory interventions and their effects on PSC performance could provide more detailed policy guidance. Finally, investigation of technology adoption and its interaction with governance factors could reveal how digital surveillance and communications systems affect PSC effectiveness in different institutional contexts. Understanding PSC performance in African extractive economies remains crucial as security privatization continues expanding across the continent. This study demonstrates that effective private security provision requires not only capable PSCs but also governance frameworks that enable professional operations, regulatory institutions with capacity for meaningful oversight, and state structures sufficiently robust to coordinate public-private security efforts. Achieving these conditions in Nigeria and similar contexts demands sustained attention to governance reform and state capacity building as foundations for effective security sector development.

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