

“In some Cases ver.di is not able to be Our Partner...”
Assessing the German Private Security Industry: an Industry’s View

Oliver Arning

An interview with Oliver Arning, associations’ spokesman of the Federal Association of the German Security Industry (BDSW) and the Federal Association of the German Cash and Valuables Distribution Services (BDGW)¹ on current trends within the German private security industry.

Volker Eick: In September 2011, your organization renamed itself from Federal Association of German Security Companies (BDWS) into Federal Association of the Security Industry (BDSW) after forty years. Can you briefly explain what your organizations are doing?

Oliver Arning: As a matter of fact, more and more technical equipment is employed to fulfill clients’ security needs. Therefore, many security companies have opened up their own security technology businesses in separate companies. Under our old membership rules, these new companies were not allowed to become full members of our association. Anyhow, meanwhile we opened up the BDSW to other companies and are able to integrate new members whose focus is not solely on security services. At the moment, security services in Germany are representing a share of more than 45 percent of a total of 10 billion Euros revenue in Germany’s private security industry. It seems, the market has a wider potential for gaining new members, and we would like to address their needs.

Volker Eick: Since years now, the BDSW headquarter is located in a remote industrial zone in the middle of nowhere of Germany’s southwest. From January 2012 onwards, you will run a representative office in the city-center of Berlin and you already hired as your ambassador a former vice-chairman of the ASW, the Association for Security in Industry and Commerce.² The ASW is an influential lobby organization, much more focused than you are on security technology and larger companies, the ‘big shots’ within the industry. How we are to understand these recent changes?

Oliver Arning: Berlin is the place to be, if one wants to have an influence on political decision making processes. Maybe that is the reason why most of the trade unions have their headquarters in Berlin, too. Having said this, our organization is in the capital since the beginning 2011. Dr. Berthold Stoppelkamp took over his duty as Head of BDSW in Berlin by January 2012. Within the security industry-community he is a well-known and an extremely active member. That is not only an opportunity but a very good starting point to fulfill his job as an anchorman. He will keep contact to the respective administrations, politicians and the media in and around Berlin to strengthen the already

¹ Cf. BDSW, *Bundesverband der Sicherheitswirtschaft*, <http://www.bdsw.de/cms/index.php>; and BDGW, *Bundesvereinigung Deutscher Geld- und Wertdienste*, <http://www.bdgw.de/cms/index.php> [both accessed February 9, 2012].

² Cf. ASW, *Arbeitsgemeinschaft für Sicherheit in der Wirtschaft*, see http://www.asw-online.de/index_en.php [accessed February 9, 2012]. The ASW is the central organization of economy for security matters. It is sustained by the head organizations of German economy (DIHK, BDI, and BDA), all regional German security associations and several industrial associations. The membership organization of the ASW represents in its entirety over 4 million companies and self employed. It serves as the central organization of economy for security matters and the representation of interests towards government, politics, and administration.

existing links and he will be engaged to develop new fields of competencies as well. For us it is important to have a constant presence in Berlin.

Volker Eick: *So, in essence, the BDSW moves into the direction of focusing more on the big companies within the private security industry's realm and heads for integrating security companies with more expertise in the fields of technology, Internet and Cyber security? Should smaller BDSW members who are less technology-prone feel concerned?*

Oliver Arning: As a matter of fact, most of the companies are using modern technologies even if they are smaller ones. And the focus of BDSW will be on the service part of the industry, still. Therefore, I cannot see any reason for any concern. But what we do understand is that the whole cluster of the private security industry is in need of a competent voice. Given that our part of the industry covers 45 percent of the whole market and given that most of our members do not only need to employ but to integrate technical equipment, doesn't it seem to be consequential for us to take the lead?

Volker Eick: *Since 2009, the private security industry represented by the BDSW is part of the government's new 'security architecture.' Can you explain what this 'architecture' stands for? And, more importantly, what are the implications for your industry, what are your expectations?*

Oliver Arning: My understanding of Germany's security architecture is that it will be created by politicians and the government, and, that this attempt is not a new one. It has been the third time in Germany's history after World War II that the 'Program of Interior Security' has been (re)edited. What is new, and here the whole process gets a historical dimension, is that the Ministers of Interior have declared that private security companies – without any further or deeper definition of the industry – are part of the 'security architecture.' The ministers also expect binding standards for private security companies (PSCs). With regard to existing certificates the BDSW supports and accompanies the respective processes. Due to the fact that private companies providing security services are already on duty in public space – for example, in public transportation as well as in local communities to protect people and values – binding regulation standards are more than necessary. Keep in mind, more and more communities are providing security to their people by combined patrols of municipal security guards (*Kommunale Ordnungsdienste*) and police officers. Binding regulations could also help to define service level agreements between private security companies and the contracting authority. Further, regulations also help to differentiate duties and rights of public security services (police) from private security services.

Volker Eick: *That indeed seems to be an important point: Do you believe that in the nearer future we will need a two-tiered security regime with regulations for each party – in other words, one that applies to the police and one that applies to the private security industry?*

Oliver Arning: What is important is the definition of private security tasks in comparison with sovereign tasks and duties of the state. Clearly to be marked down are these different authorities, in particular for security work in semi-public space.

We need to delineate powers assigned to private security companies from those of the police and other state powers. German law knows already three areas under which PSCs are working according to special statutory provisions. For private guarding of military property the *Unmittelbares Zwangsgesetz der Bundeswehr* applies (Law on the Immediate Coercion of the Military); guarding of atomic plants is regulated through the *Atomgesetz (Atomic Law)*; and in the field of air traffic security the respective Aviation Law pertains. The aforementioned laws assign authorities to private security guards beyond everyman's rights (*Jedermannrechte*) as long as the guards are deployed under state supervision. For example, the control of passengers and hand luggage at airports is done by guards vested with public authority (*Beleihung*) and at the behest of the Federal Police. Such regulations, moreover, may lead to a better quality, higher standards, improved payments, and a better reputation in public.

Volker Eick: *In October 2011, your vice-president, Gregor Lehnert, claimed in an interview, a certification of the industry will only be accepted, if this really leads to a sustainable improvement of security provision within the industry.³ The protection of so-called critical infrastructure, the protection of mega events, and the securitization of public transport he understands as the expanding industry's fields of expertise. In order to provide such services convincingly, he asks for allowing the private security industry to go beyond everyman's rights (Jedermannrechte), for stop-and-search rights, for the right to eviction of 'undesirables,' and for ID-checks. Your managing director, Dr. Harald Olschok, asks for a significant market adjustment, claiming that out of the roughly 4,000 rent-a-cop companies in Germany "3,000 are far too much."⁴ Are you heading for a 'security revolution,' a reinvention, if not cleansing, of the current German security market?*

Oliver Arning: As a matter of fact, private security service companies are already allowed to go beyond the everyman's rights. But in order to allow for further law enforcement, a special legal legitimacy is necessary. In Germany, these legal opportunities stem from the law of Aviation Security, the Atomic Law and the Law allowing for 'immediate coercion' (*unmittelbarer Zwang*) while protecting military property and military facilities. Further, six federal states we have signed cooperation contracts with the state police. The prerequisites for signing such contracts are that high, that even within the BDSW-membership less than 10 percent will be able to become official partners of the police. The mission of private security companies partnering with the police is to be present, to detect and to inform police about any irregularities related to safety, order and security. This kind of summary applies to all forms of what could be called the operative level of cooperation. But all these forms of cooperation are also to be understood as steps helping to push the entry-barrier for private security companies higher. And it is here, where an aspect of quality comes into play. Generally speaking, we claim that currently it is too easy to open up a business in our industry. Therefore, we need new rules. And those companies willing and being able to meet higher standards, given and controlled by the government, do already prove that private security agencies are trustworthy and could go beyond everyman's rights. – It is a logical evolution, so to say!

³ Heiner Jerofsky, "Interview mit Gregor Lehnert, -Vizepräsident des BDSW und Vorstand der ASW," <http://www.git-sicherheit.de/topstories/management/interview-mit-gregor-lehnert-vizepraesident-des-bdsw-und-vorstand-der-asw> [accessed February 9, 2012].

⁴ Harald Olschok, "7 Jahre BDWS (2004-2011)" *Der Sicherheitsdienst*, 63 (Sonderheft): 15–17, <http://www.bdgw.de/cms/DSD/3-11/Sonderheft%20BDSW%2003-2011.pdf> [accessed February 9, 2012].

Volker Eick: *For readers in the English speaking world it is hardly imaginable that Germany, one of the strongest economies in the world, does not know a cross-sector minimum wage, i.e. a minimum wage applying to all industries. Only very few industries, including the private security industry since June 2011, came to an agreement with the trade unions to introduce it. A couple of weeks later, the Government made it generally binding statute (allgemeinverbindlich) which renders it mandatory for all German security companies and competitors from abroad to stick to its rules and regulations;⁵ latest by January 2013, all security officers working in Germany should not earn less than €7.50 per hour. What are the reasons that you finally came to such an agreement? How come that it took your organization so long to finally consent to such a concord?*

Oliver Arning: Volker, you know the historical reasons for the absence of a minimum wage within our industry even better than I do... Four years ago, it has been the employers' association which was willing to implement a minimum wage. The role of the trade unions could have been more progressive in that case. Wouldn't you agree that the representatives of the DGB, in 2009, held the responsibility for the fact that a minimum wage agreement remained absent and, by the same token, for the contracts between our association and GÖD? And wasn't it the ver.di headquarter that decided, in spring 2011, to demand a minimum wage of €8.50 that pushed representatives of FB 13 [the section within ver.di, where private security guards are organized] to finally sign a minimum wage contract with us, based on €7.50 latest by January 2013? From ver.di's FB 13-perspective, it was the last chance for not loosing the trust of their members, even if they are a very small group within ver.di. But we will see whether the situation will change: If our information is correct, some unions within the police⁶ are willing to become the voice of private security guards.

Volker Eick: *A further lament, in particular by the German United Service Union (ver.di), is that you are contracting wage agreements with so-called 'yellow' unions. Are such cooperations – not at least in the light of the successful minimum wage agreement – something that should be perceived as outdated collaborations of the past?*

Oliver Arning: That is not the question. It is the question of alternatives. And in some cases ver.di is not able to be our partner.

Volker Eick: *How and in as much does, will your organization support the Government to enforce that all security companies adhere to the minimum wage? Given that the BDSW, according to the latest numbers (2010), represents almost 80 percent of the industry's turnover and about 25 percent of all security companies in Germany, there should be a particular responsibility, would you agree?*

⁵ For details, "Tarifvertrag zur Regelung der Mindestlöhne für Sicherheitsdienstleistungen vom 11. 2. 2011," http://sat.verdi.de/branchen_berufe/besondere_dienstleistungen/tarifpolitik/mindestlohn_bewachungsgewerbe/data/Mindestlohnvertrag.pdf [accessed February 9, 2012].

⁶ The German police are organized in three different unions: The *Gewerkschaft der Polizei* (GdP, Union of the Police) as a member organization of the *Deutscher Gewerkschaftsbund* (DGB, German Federation of Trade Unions) represents all employees within the police. The *Deutsche Polizeigewerkschaft* (DPoIG, German Police Union), a member organization of the unions within the *Deutscher Beamtenbund* (dbb), is available for all civil servants within the police; further and independent from any holding association, the *Bund Deutscher Kriminalbeamter* (BDK, Federation of German Detectives) represents unionized police detectives.

Oliver Arning: We are supporting the government as much as we can. It is necessary that those who are not paying the minimum wage could be detected and selected. Therefore, we are working very closely with the federal ministry of finance as well as with customs, the financial police. In Germany, customs, among other duties, are to control and to execute that companies follow the minimum wage regulations.

Volker Eick: *Can you give any examples on how that support looks like? Do you have an investigation unit? Are you providing the customs with information or rumors? Are you advertising, or even campaigning, for fair wages and for an adherence to the minimum wage?*

Oliver Arning: We are supporting customs by holding mutual information gatherings, together with the *Finanzdirektion West* (Finance Agency, Western Section); thereby, our members do not only get to know practices and procedures but also the legal bases of customs. By implication, the persons in charge of the chief customs offices become acquainted with the specifics of our industry. In the context of our association's activities we do not only inform our members about the minimum wage but more over the public as well.

Volker Eick: *A constant lament by unions, civil rights organizations and critical scholars alike translates the private security industry into a low-wage, low-skill industry with a significantly poor job security (even in the industrialized world, more than 30 percent of the workforce are trapped in casual work) – in sum, private security decodes as a 'low road' industry. Further, fraud cases, wage dumping, an inhumane tone to subordinates, and an exploitation mentality by private security management are said to be widespread. How do you, and how does your organization respond to this accusations if not observations?*

Oliver Arning: Since more than ten years, the BDSW makes for a higher quality of training by developing, inter alia, professional trainings such as those leading to an occupation of either *Fachkraft* (specialist, 3 years of training) or *Servicekraft* (waiter, 2 years) for Protection and Security. Latest by successfully implementing the minimum wage, further protected through the *Arbeitnehmer-Entsendegesetz* (law on the posting of workers), we in Germany took a significant step forward.

Volker Eick: *A current debate in Germany is concerned with the 400 something German-flagged cargo vessels that are to be protected against piracy, in particular in the Gulf of Aden. According to our Constitution and under German law this is a task, the Federal Police and not the military, let alone rent-a-cops, has to fulfill. The German Government claims to be financially and organizationally unable to protect German vessels and suggest the ship owners should hire private security companies.⁷ In August 2011, your president, Wolfgang Waschulewski, claimed the BDSW objects the deployment of armed private security officers to protect vessels.⁸ In October 2011 though, he claimed "it cannot be in the economic interest of the Federal Republic of Germany that die third-largest merchant fleet of the world primarily relies on foreign*

⁷ Volker Eick, "Freibrief zum Entern. Die Bundesregierung vergibt Piraterie-Bekämpfung an Private," http://www.akweb.de/ak_s/ak564/32.htm [accessed February 9, 2012].

⁸ "Verteidigungsstaatssekretär will Einsatz von Ex-Soldaten zum Schutz deutscher Schiffe prüfen," <http://www.prcenter.de/Verteidigungsstaatssekretaer-will-Einsatz-von-Ex-Soldaten-zum-Schutz-deutscher-Schiffe-pruefen.296821.html> [accessed February 9, 2012].

private security companies for the protection of German ships.”⁹ That is a significant step forward. Is the BDSW heading for German Blackwater-style mercenaries in the nearer future?

Oliver Arning: First of all, protecting vessels has become or always has been a business. At the moment, Germany is not participating in any kind of this business, except for paying for it! Knowing that Germany has got plenty of security professionals serving in special operation units of police or armed forces, doesn't it sound strange that the country with the third-largest fleet in the world needs help from other countries to protect its vessels? Economically that is nonsense! What we are claiming for is a regulation which allows German private security companies to work in this field. We don't expect a large number of companies emerging on German soil, but even if, every company operating from Germany will be controlled by the state and has to pay taxes.

Volker Eick: *OK. Again, I buy what you are saying; recently, I even published a paper on that issue.¹⁰ But how come that Mr. Waschulewski changed his mind that fast? Taking it differently, for you as a (former) leading army officer: Isn't it that the German private security industry runs the risk to become involved into armed conflicts?*

Oliver Arning: I cannot identify a change of mind. We always pointed to the absence of legal framings but also mentioned vessel protection as a potential business area. The circumstances of the current debate refer to the deployment of (armed) personnel on German-flagged vessels. For this particular case we call for a specific legal basis. At present, I do not discern a broadening of this debate into further areas.

Volker Eick: *The world is neither flat (Thomas L. Friedman)¹¹ nor is history over (Francis Fukuyama).¹² Instead, neoliberal globalization is ongoing and asks for inter- and transnational cooperation while severe competition is at stake. How does your organization respond to the current challenges, what kind of international cooperation you are recently cultivating and for what kind of collaboration (and competition strategies) are you heading for?*

Oliver Arning: We are a founding member of the Confederation of Private Security Services (CoESS), therefore we are strengthening the European Integration Process. We are taking part in third-party talks and are supporting bilateral exchanges with our European neighbors. As a matter of fact, there are, for example, demographic needs to work closer together with European partners.

Volker Eick: *Can you explain this further, what are these 'demographic needs'? Is the real reason for your European-wide cooperation with other private security associations 'demographics,' and not a better standing in a competitive market – including being better equipped against unions?*

⁹ “Waschulewski und Innenminister Friedrich: Gemeinsam gegen die See-Piraten,” <http://www.git-sicherheit.de/news/waschulewski-und-innenminister-friedrich-gemeinsam-gegen-die-see-piraten> [accessed February 2, 2012].

¹⁰ Volker Eick, “A Charter for Boarding. The German government contracts out counter-privacy operations to private security business,” <http://policing-crowds.org/security/article/a-charter-for-boarding-the-german-government-contracts-out-counter-piracy-operations/> [accessed February 9, 2012].

¹¹ Thomas L. Friedman, *The World Is Flat. A brief history of the twenty-first century*. New York 2005.

¹² Francis Fukuyama, “The End of History?” *National Interest*, 4 (16), 1989: 3–18.

Oliver Arning: Since May 2011, the European Union's law Freedom of Movement for Workers applies. It allows any single man and woman to offer service work within any country within the EU. By means of the minimum wage and under the protection of the *Arbeitnehmer-Entsendegesetz*, we succeeded in Germany in securing the labor market conditions for domestic providers and for those coming to Germany from other European member countries. The progressing integration of the European Union thus offers companies the opportunity to recruit employees as well. Recruiting young talents is important for all industrial and service sectors in Germany – this also applies to our industry.

Volker Eick: *Thanking you for taking your time to answer my questions.*