

TREND OF PRIVATE SECURITY IN BOSNIA AND HERZEGOVINA

Sarajevo, march 2017.

Trend of Private Security in Bosnia And Herzegovina

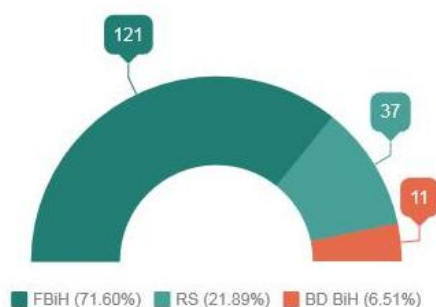
The privatization of the security sector in Bosnia and Herzegovina (BiH) has not received much attention. Apart from the research of the Center for Small Arms Control in South Eastern Europe and Eastern Europe (SEESAC), which analyzed the state of the private security sector in South East Europe, as well as the research of the Center for Security Studies (CSS) from 2009, this is the second local research of the private security sector in Bosnia and Herzegovina. The aim of this research is to determine the trend of private security in BiH by comparing data obtained in 2009 and 2016.

In order to provide a better understanding of the number and scope of private security in BiH, compared statistical data collected which show the scope of private security, i.e the number of legal subjects engaged in such activities and the number of certified staff working in this sector, will be presented below.

We would like to emphasize that, when we talk about private security companies, we are referring to agencies for protection of people and property in two BiH entities and Brcko District of BiH (BD), internal protection service in the Federation BiH (FBiH) and private detectives in the Republika Srpska (RS) and the BD BiH. All of the aforementioned subjects commenced with their activities in 2002 in the BiH entities and 2004 in BD BiH.

In order to carry out a research on the number and scope of the private security companies, we have analyzed the statistical data obtained from the cantonal ministries of internal affairs in FBiH, Public Security Centers in RS, Brcko District Police of Bosnia and Herzegovina (PBD BiH) as well as data received from the courts charged with the registration of legal bodies¹. According to the analysis based on this data, we can say that compared to 2009, Bosnia and Herzegovina in 2016 recorded a growing trend of private security subjects and a number of staff working in the sector. The starting point for comparison of private security trend was 2009, when we had 169 subjects providing the services of private security in BiH and which employed 4.207 people. Seven years later, the number of private security subjects increased by 60%, so in 2016, 270 private security subjects were registered.

Number of private security subjects in BiH in 2009.



Number of private security subjects of BiH in 2016

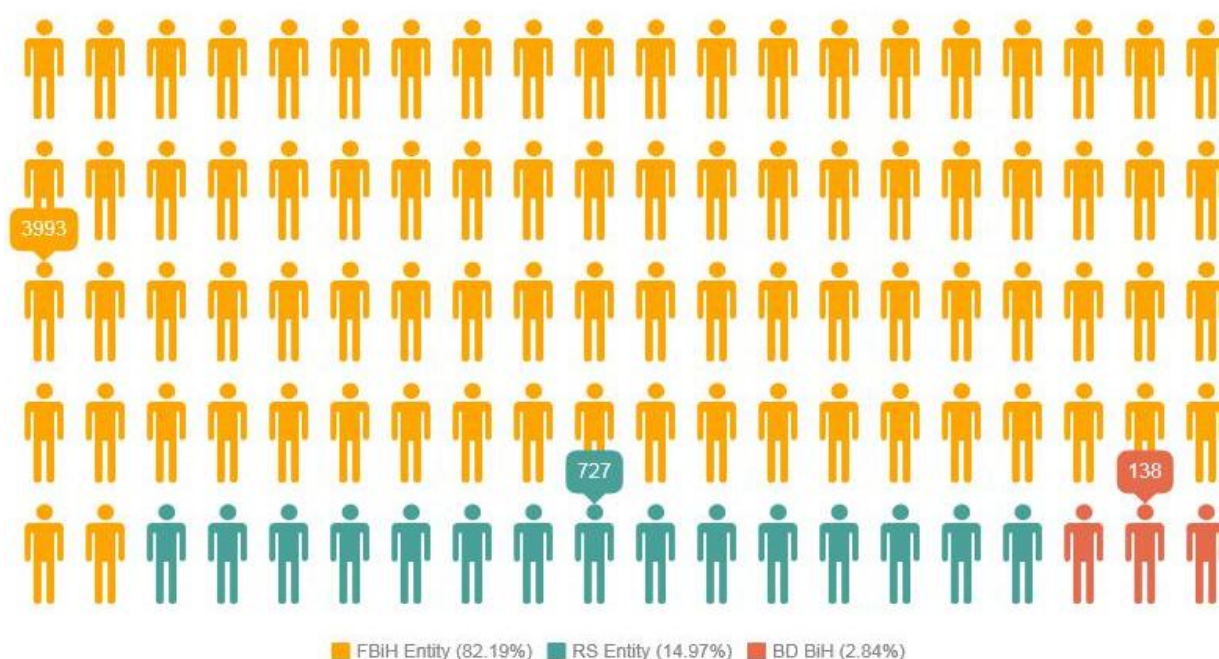


¹ In Republika Srpska these are the Basic Courts in Bijeljina, Banja Luka, Doboj, Trebinje, East Sarajevo; in Federation these are the Municipality courts which are based in the cantons capital towns

Out of that number, 83 have been registered as a private security companies (agencies for the protection of persons and property), 96 as their branches, 88 are registered as internal protection services, and 3 as private detective agencies.

In 2016, there were **4.858** persons with valid certificates to work on private security tasks for the needs of these subjects, representing a growth trend of 15% compared to 2009. If we look at this sector alone, it recorded a growing trend of persons who are engaged in activities of private security by 2% on an annual basis, which is not even close to the world's annual growth rate from 2005.²

Number of security guards in the BiH entities and Brcko District BiH in 2016.



By comparing the statistical data that we have gathered throughout our research relating to the territorial distribution, the number of certified security officers and work activities, we can conclude that the private security company SECURITAS³ from Sarajevo is the leader followed by Sector Security from Banja Luka.

According to the last census of 2013, the population of Bosnia and Herzegovina amounted to 3,531,159.⁴ This statistical data indicates that there is approximately more than one security officer for every 1000 citizens (precisely 1.4), which is an increase of 0.4% compared to 2009.⁵ However, despite the fact that at the state level, number

Growth trend of private security in BiH



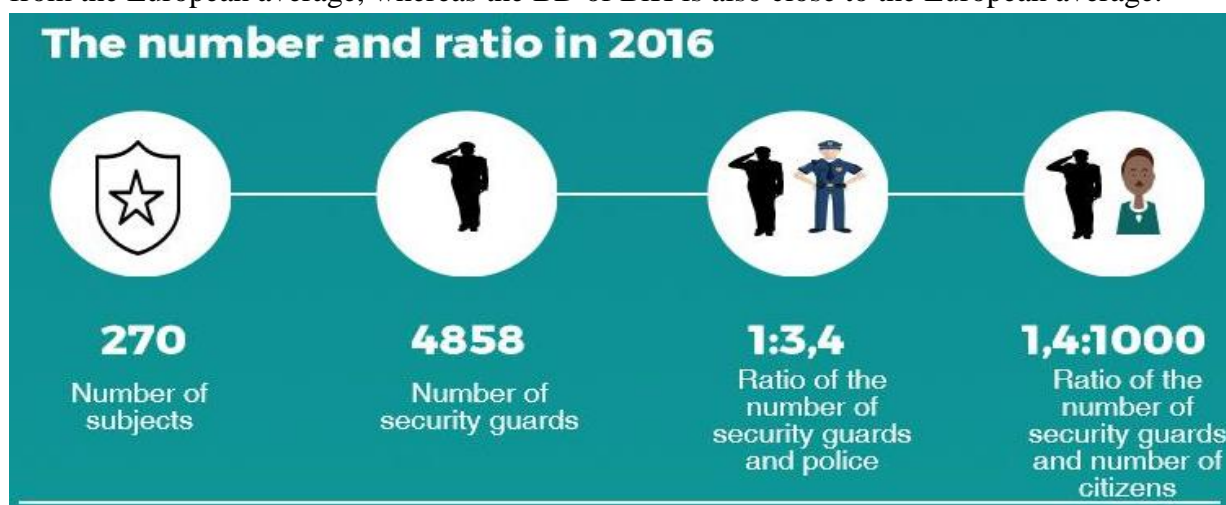
² Abrahamsen and Williams in 2005 estimated private security market at an astonishing 85 billion US dollars, with an annual growth rate of 6-8 percent

³ <http://www.securitas.ba/>

⁴ <http://www.statistika.ba>

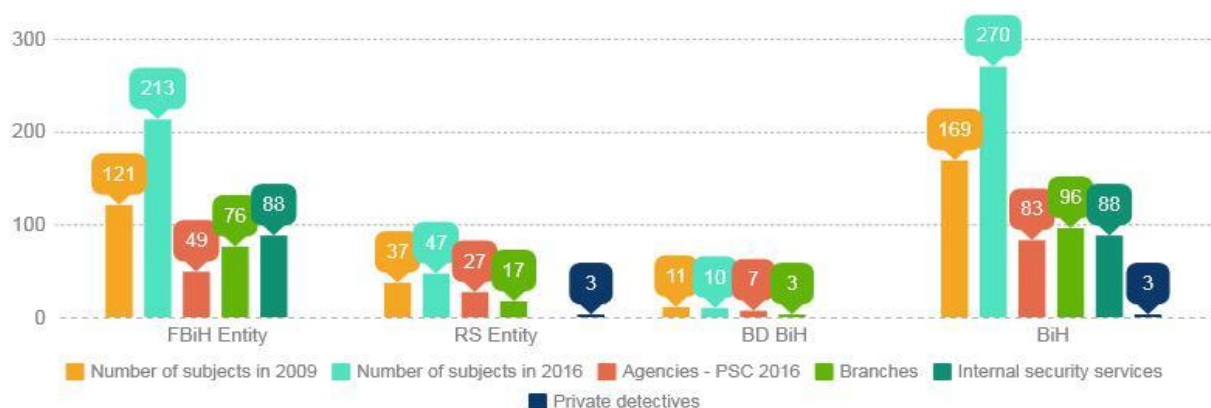
⁵ Krzalic A. The Private Security in Bosnia and Herzegovina. Sarajevo: Center for Security Studies. 2009. p.33

of security officers increased by 0,4%, the average is still well below the European average of one security officer per 500 inhabitants. In some parts of the country, this ratio is a bit different. Thus, in the area of BD, we have one security officer for 605 citizens, which is almost twice as many citizens per 1 security officer compared to 2009. In RS, this ratio is significantly higher, and approximately one security officer serves 1.689 citizens, which is quite similar to the ratio of 2009 (1.689: 1.724), while in the FBiH entity, the number of citizens per one security officer is the lowest (555: 1), ie. nearly two security officers (1,8) per 1000 citizens. According to some data, the average number of security officers per number of capita in the EU is 1 to 500.⁶ Based on this data, we can say that the entity FBiH, in the last seven years, almost reached the European average, in contrast to the RS entity, which is far from the European average, whereas the BD of BiH is also close to the European average.



The collected data on the number of private security subjects in BiH show that the growing trend in the last seven years was recorded in both entities (FBiH 76% RS 27%), while the declining trend by 9% was recorded in BD. When it comes to the number of personnel who are certified to work in this sector, the entity FBiH recorded the growth trend by 27%, the RS entity recorded a negative trend of 14% compared to 2009, and BD recorded the negative trend of 35% . We believe it would be useful to investigate the causes of this trend of private security subjects and irregular distribution of private security subjects in BiH.

Number of private security subjects



⁶ Panoramic Overview of Security Industry in the 25 Member States of the European Union, CoESS/UNI – Europa, 2004

Area	Subjects in 2009	Number of PSC in 2016	Branches in 2016	Internal protection services in 2016	Private detectives in 2016	TOTAL NUMBER OF SUBJECTS IN 2016
Entity FBiH	121	49	76	88	-	213
Entity RS	37	27	17	-	3	47
BDBiH	11	7	3	-	-	10
TOTAL	169	83	96	88	3	270

Table 1. Number of private security subjects in Bosnia and Herzegovina in 2016



If we are comparing the numbers in the public security and private security sectors, the research shows that the statistics are in favor of the police. Thus, the ratio of police officers to security guards in 2009 was 4,5:1 while in 2016 is slightly lower 3,4: 1⁷, in favor of police forces.

In general, the private security growth trend⁸, where in some countries the ratio of police officers to security officers is

almost equal or even in favor of security officers, we can say that further development of this branch is expected in the future, and the only question is, at what rate.

PRIVATE SECURITY IN BiH

	2009. ⁹	2016.
Number of private security subjects (PSC+USS+PD):	169	270
Number of certified staff in the PSCs:	4207	4858
Number of weapons with permits in the PSCs:	1075	/
Ratio of number of security guards per capita:	1:1000	1,4:1000
Ratio of no. of security guards and police officers:	1:4,5¹⁰	1:3,4¹¹
Security guard profile:		
Average age:	29 years old	27 years old
Wearing uniform and carrying firearms:	YES	YES
Went through training and holds certificate:	YES	YES

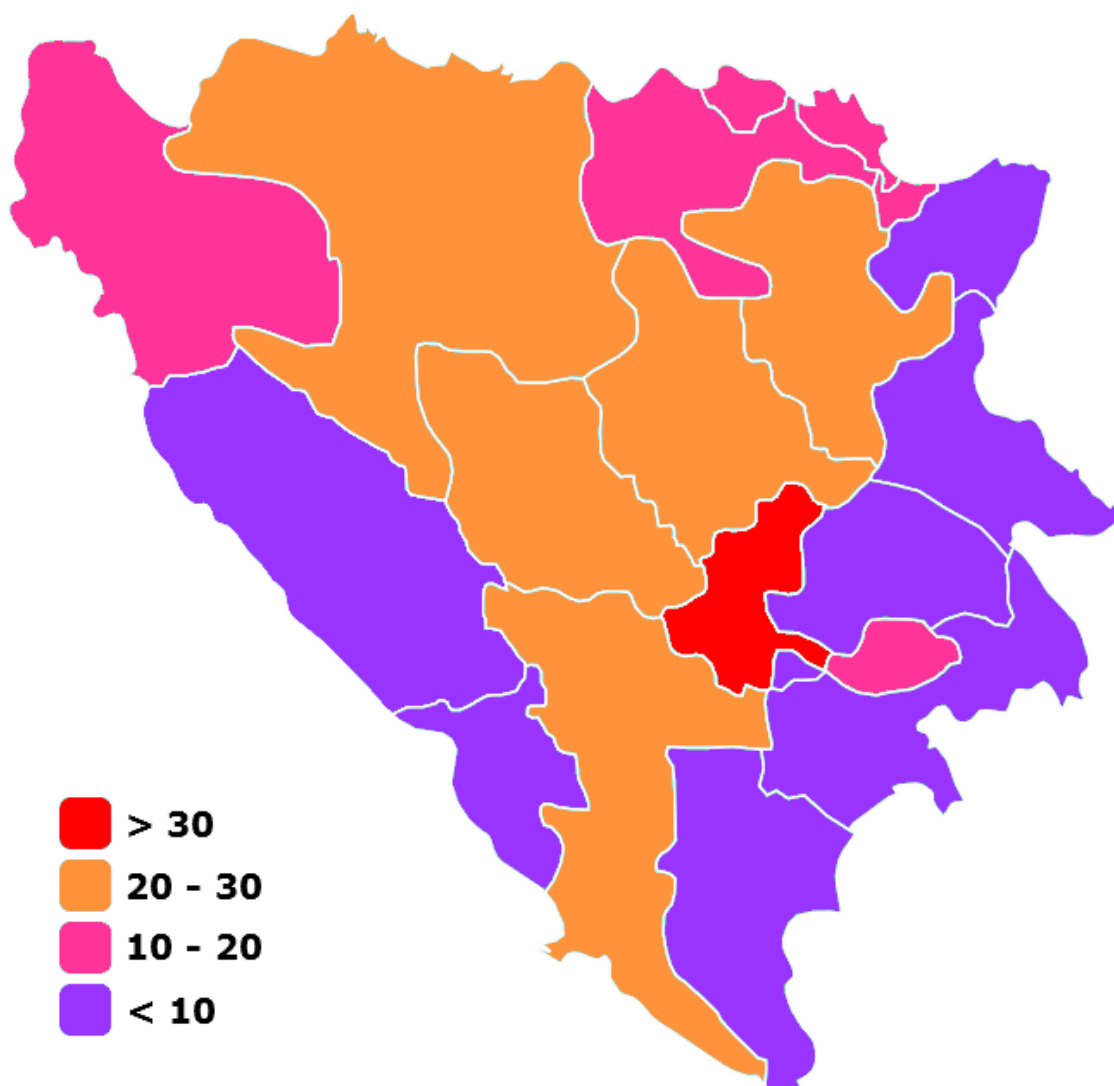
⁷ In South Africa there are 4 security guards to one police officer amounting to a total of 4500 private security companies employing half-a-million of employees; In Nicaragua the first private security company was established in 1990 while this number increased to 52 in year 2001; in Panama there were 14 PSC in 1990 and 108 in 1999; in Costa Rica, 28 PSCs in 1994 to 754 in 2001. According to the Brazilian Federal police data, there are 1.120.842 private security guards in Brazil working for 2865 legally registered companies and handling about 413.994 guns. A. Krzalic, *Private Security*, Centre for Security Studies: 2009, pg 19

⁸ The increased growth is expected in developing regions such as Asia, the Latin America, Eastern Europe, Africa and the Middle East. It is deemed that China will be the leader in market growth in this decade with a 20% annual growth.

⁹ Armin Krzalic: *Private Security in Bosnia and Herzegovina*. Sarajevo: Centre for Security Studies, 2009. pg.32.

¹⁰ The percentage of 2009 included the number of police officers and administration.

¹¹ The percentage includes only the number of police officers in 2016 (16 276), but if we include administrative officials, 5 147 in total, then we come to almost the same ratio as in 2009 (1: 4.4).



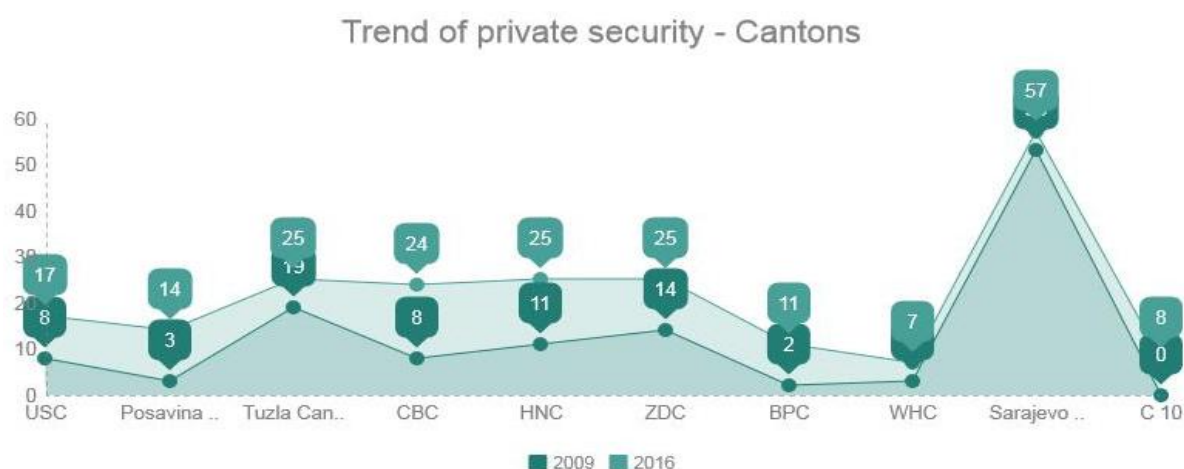
Map 1. *Distribution of private security subjects in Bosnia and Herzegovina*

Trend of Private Security in Federation of Bosnia and Herzegovina (FBiH)

The Federation of Bosnia and Herzegovina (FBiH) is one of the two entities in BiH. By signing the Washington Agreement on March 18, 1994 the Croat-Bosniak conflict was put to an end and the Federation of BiH was established by the Law on Federal Units¹². The Federation is comprised of 10 cantons, names and seats of which are defined by the Constitution. According the census from 2013, 62,85% 2.219.220 inhabitants of the BiH population currently resides or on the territory of the Federation of Bosnia and Herzegovina.¹³

Private security emerged in FBiH in 1996. This industrial branch began its development in legal frames from 2002 with the aim of protecting the citizens from any form of abuse. The private security companies in this sector nowadays primarily provide security services of protecting property, transports of money and valuable possessions, securing public gatherings, access control, installation and maintenance of alarm systems.

The FBiH is the area with the biggest number of PSCs in BiH. In this region, there were 121 such companies spread on an area of 26.110,5 km² in 2009. Seven years later, the number of private security subjects has increased. According to official data of the cantonal ministries of the interior, by the end of 2016, 213 private security subjects operated in FBiH. This data shows the private security subjects' growth trend by 76%, since during this period the FBiH entity gained 92 new private security subjects. These subjects should be considered separately, given the way of organization and service delivery. Thus, in 2016, out of 213 private security subjects, 88 of them are internal protection services, 76 branches of private security companies, and 49 are private security companies. If these last two categories are seen as a unique, with the regard of the nature of the initial capital, we reach the number of 125 private security subjects operating in the Federation. Considering the initial capital, internal protection services are not privately owned, since their founders are public companies.



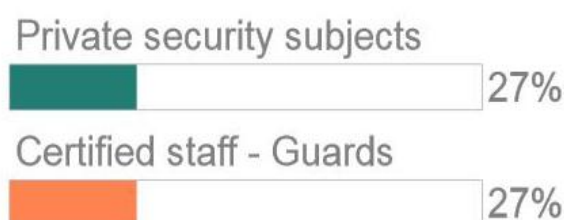
¹² FBiH Official Gazette, no. 9/96

¹³ <http://www.statistika.ba/>

In 2016, the number of persons who had a valid license to perform private security duties increased by 27% compared to 2009. Specifically, in 2016 we had 3.993 people who had a valid license to deal with a matter of private security. These data show that the FBiH entity on an annual basis recorded an increase of employment in this sector by 3,86%, which is less than expected. The largest concentration of

security officers and private security companies is in Canton Sarajevo, where 57 subjects that are engaged in private security operate. Out of these 57 subjects, 16 of them were registered as private security companies, 9 of them are branches, and 32 of them are registered as an internal protection service. Four cantons (Tuzla, Zenica-Doboj, Central Bosnia and Herzegovina-Neretva Canton) each have 25 registered private security subjects.

Growth trend of private security in FBiH Entity



On the grounds of the analysis¹⁴ that stems from the gathered data, we can conclude that the SECURITAS is the private security company most widely spread on the territory of FBiH entity regarding the territorial distribution, the number of weapons and the number of certified security officers.

Area Canton	Number of subjects in 2009	Number of PSC in 2016	Branches 2016	Internal protection services in 2016	Issued badges in 2009	Issued badges in 2016
USC – Bihac	8	4	8	5	170	195
Posavina Canton - Orašje	3	1	11	2	19	67
Tuzla Canton – Tuzla	19	8	9	8	640	-
CBC – Travnik	8	4	9	11	86	160
Canton 10 – Livno	-	-	7	1	-	13
HNC – Mostar	11	5	10	10	653	604
Z-D C – Zenica	14	8	-	17	210	292
BPC – Goražde	2	1	8	2	28	67
ZHK – Ljubuški	3	2	5	-	39	57
Canton Sarajevo	53	16	9	32	1306	2539
TOTAL	121	49	76	88	3151	3993

Table 2. Number of private security subjects and the number of issued badges in FBiH entity

¹⁴ The analysis was conducted on the grounds of the number of registered branch offices in BiH, the number of weapons in the possession of the agencies and the number of certified staff for the tasks of a security guards.

The trend of private security in Republika Srpska (RS)

According to Dayton Agreement Republika Srpska is one of two entities in Bosnia and Herzegovina, with a one-house parliament. It covers 49% of territory of BiH, that is, 24.617 km² with a population of 1.228.423.¹⁵ The National Assembly consists of 83 representatives elected every four years. The Parliament has the legislative power and the Government of RS executive power. The president is elected in direct elections every four years.

In the same way as in the FBiH entity, the area of private security in RS can be traced back to 1996 when it was legally unregulated, and after 2002, when it was placed under the legal framework. During the period 1996 - 2002, the concept of organized and legal involvement of all security entities in protection of state and public property was abandoned due to transition to market economy and legitimate introduction of several types of property: state-owned, public, private, etc.¹⁶ Another important step that allowed establishing of private security in this region was enactment of the Law on Agencies for Protection of People and Property and Private Detective Services of Republika Srpska.¹⁷ The law was enacted in 2002 and, among other things, for the first time the law comprehensively, precisely and profoundly regulates conditions for establishing of private security companies, that is, provision of protection for people and property, as well as the immediate monitoring of PSC activities by the relevant entity authorities, primarily the Ministry of Internal Affairs.

Trend of private security in RS Entity

Growth of private security subje..



Decline of number of certified staff



The Law defines standards for establishing private security companies. In line with these standards, in 2009, 37 private security companies were established and operated in Republika Srpska. Seven years later, in 2016 the growing trend to 47 of companies/subjects, out of which 44 private security companies and 3 private detectives agencies are recorded. Based

on these indicators, we can conclude that in this BiH entity a trend of growth of companies which are engaged in private security by 27%.

The Law provides precise definition of requirements that need to be met by security personnel in order to acquire permits to perform activities of protection of people and property. Once these requirements are met, security personnel can be issued with a badge proving the identity and authorization to provide services of physical and technical protection. The badge is issued

¹⁵ <http://www.statistika.ba/> Results of the 2013. census.

¹⁶ Milan Daničić and Ljubomir Stajić: Privatna bezbjednost (Private security), Internal Affairs College, Banja Luka 2008. Page 90

¹⁷ The law is consisted of nine parts dealing with the following areas: basic provisions, activities of protection of people and property, requirements for establishing of the company for protection of people and property, detective activity and private detective, records, monitoring, authorization to enact regulation, penal provisions and transitory and final provisions

by the Center for Public Security (CPS), according to the place of residence of the applicant. In line with this regulation Centers for Public Security¹⁸ issued 1.031 badges by July 2009, where **843** were considered valid. In 2016 that number was smaller, but it should be noted that the declining trend in the number of persons employed in the private security service by 14% have been caused by the fact that data for PSC Doboј were not processed, given that the data was destroyed during the floods in 2014 . PSC Doboј submitted data only for valid badges issued in 2015, and that number is 66.

Area Public Security Center	Number subjects in 2009.	Number of PSC in 2016	Detectiv es in 2016	Issued badges until 2009	Issued badges until 2016	Valid badges in 2009	Valid badges in 2016
Banja Luka	16	21	1	628	678	482	355
Prijedor	-	2	-	-	57	-	35
Doboј	8	9	1	106	874	106	-
Bijeljina	5	5	1	82	217	82	96
Trebinje	4	3	-	64	141	54	66
Istocno Sarajevo	4	4	-	151	519	119	175
TOTAL	37	44	3	1031	2486	843	727

Table 3. Number of private security subjects and the number of issued badges in RS entity

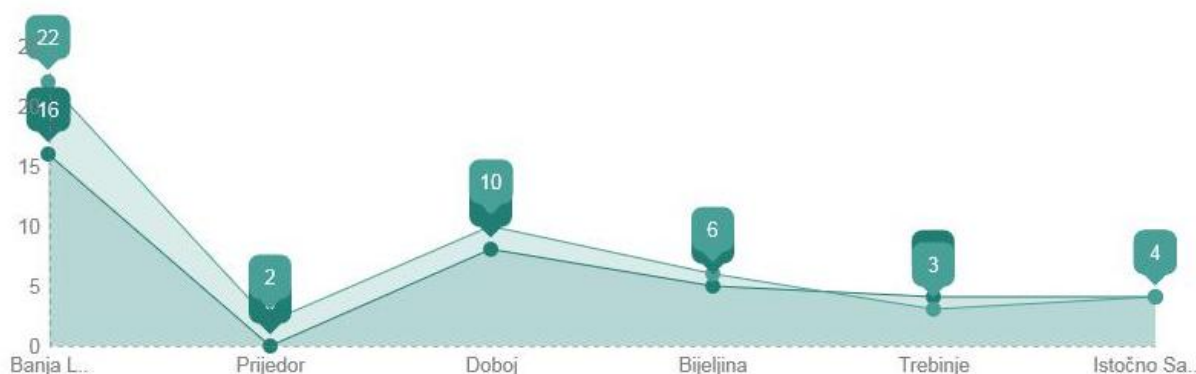
The badge may be returned or the Center for Public Security may revoke the badge within three days, in case some of the necessary requirements for activities of physical protection cease to exist or the holder of the badge terminates his employment.

The weapons are registered in accordance with the Law on Weapons and Ammunition of Republika Srpska and Law on Agencies for Protection of People and Property and Private Detective Services. Private security companies keep neat records on their weapons and provide daily information on issued weapons and persons responsible. The weapons are owned by the company and security officers can carry it only when on duty.

The highest concentration of private security companies is still on the territory of Center for Public Security Banja Luka, with 21 private security companies and 1 private detective agency. On the territory of CPS Doboј there are 9 PSCs and 1 private detective agency, followed by the area of CPS Bijeljina with 5 PSCs and 1 private detective agency. In the area of Istočno Sarajevo there are 4 PSCs, area of Trebinje 3, and CPS Prijedor has two private security companies.

¹⁸ Within the MIA of RS there are 5 Public Security Centers (Banja Luka, Doboј, Bijeljina, Trebinje and Istočno Sarajevo). In the table, data on returned and valid badges issued by PSC Doboј were not processed, because these data were destroyed during the 2014 floods. Since 2014, 74 badges were returned or revoked to PSC Doboј, MoI of RS, memo C/M-01-053 of 21.07.2016, Department of Public Relations.

Trend of private security - Centres of Public Security



According to the analysis of statistical results of the research, 'Sector Security' is the private security company that has the authorization to operate in all six Centers for Public Security of RS. We can say that 'Sector Security' is the leading company in terms of number of employees and weapons owned on the territory of RS.

On the territory of Republika Srpska, there is one security officer per 1.724 citizens, ie. the ratio is 1000:0,5. If these statistical data based on the population is compared with FBiH, it is evident that the number of security officers is doubled in the Federation. Of course, this is also reflected on the relationship between public and private security, thus in Republika Srpska there are 8 policemen per one security officer (8:1)

The trend of private security in the Brčko District of BiH (BD BiH)

Brčko District BiH is a unique administrative unit of local self-government which is under the sovereignty of Bosnia and Herzegovina. The territory of Brčko District BiH covers the entire territory of the Municipality Brčko from 1 January 1991. The District is located in northern BiH, on the right bank of the Sava River and occupies the surface of 493 km², which is 1% of BiH. BD has 83.516 inhabitants, which is 2,36% of the total BiH population.

To maintain public order and peace, the District has its own police force (248 police officers)¹⁹, performing all police functions provided by the Law.

Private security in the area of District Brčko was established on 14 July 2004, with passing of the Law on Agencies for Protection of People and Property and Private Detective Activity. The above Law defines the activity of private security companies, which is reflected in protection of people and property with physical and technical security, as well as in the method of business operations of detective agencies.²⁰ This Law suggests that, for the purpose of establishment of a private security company, after registration in the Court Register at the Basic Court of BD, it is necessary to request a work permit from the Police of Brčko District. The owners and operational staff are subject to checks of criminal history. Individuals who were punished for breaking of public order and peace with characteristic of violence, or for criminal acts or who excessively enjoy alcohol, have a passion for gambling and are prone to violence in the family, may not be the owners, nor do the private security business

Training and certification for obtaining of authorization to perform physical and technical security services are required, but it is necessary to work on improving this segment. Wearing uniforms is required; it must be clearly distinguishable from the police uniforms or uniforms of government official of Brčko District BiH. Persons on duty shall wear badges, as prescribed by the Chief of BD Police.

Ownership and use of semi-automatic short barrel firearms is allowed with several restrictions. Likewise, in performing of physical security services, a security member is allowed to use physical force only if he/she cannot otherwise reject an immediate illegal attack jeopardizing his/her life, the life of people he/she protects, or if there is an intention to destroy or damage the property he/she protects.²¹

The Police of Brčko District BiH is authorized to issue the private security companies with work permits, as well as work permits for security sector employees. In addition, the Police perform administrative, or inspection control over the implementation of the Law on Agencies for Protection of People and Property and Private Detective Activity.

¹⁹ Memo of the Police of Brčko District BiH. number of memo 14.05-33-60526 / 16 of 21.09.2016.

²⁰ Law on Agencies for Protection of People and Property and Private Detective Activity., Article 4 and Article

²¹ Article 19

In 2016, in the area of BD, there were 10 private security subjects with work permits, which is, in relation to 2009 one private security subject less. Out of these 10 subjects, 7 of them were registered as private security companies, while 3 were registered as a branches of private security companies outside the territory of BD. Unlike in 2009, when 3 subjects had an authorization to work as a private detective, today there is none of them. The Police of Brčko District BiH is authorized to issue the private security companies with work permits. During 2016, 138 people had a valid certificate for dealing with these matters²², which is, compared to 2009, less by 35%.

Area	Number of subjects in 2009	Number of PSC in 2016	Branches in 2016	Private detective in 2016	Valid badges in 2009	Issued badges in 2016
Brcko District BiH	11	7	3	0	213	138
TOTAL	11	7	3	0	213	138

Table 4. Number of private security subjects and the number of valid badges in BD

According to the census from 2013, 83.516 of residents live in this area. This means that there is one security officer per every 605 citizens, which is almost twice more than in 2009.

In contrast to the two entities where the trend of growth of private security subjects was recorded, collected and analyzed data for 2009 and 2016 show a declining trend in private security in BD. We believe it would be particularly interesting to analyze the reasons for such a trend. In this area, the data show a declining trend in the number of private security subjects by 9% and by

35% in the number of personnel certified to do such work. In other words, there are around 2 security officers per 1.000 inhabitants. Herein, decreasing trend for one security officer per every 1.000 inhabitants compared to 2009 was recorded. When these results are compared with the number of police officers²³ in the BD BiH, we get a result that there is one security officer per almost two policemen ie. the ratio of 1,80:1 in favor of the police.

Trend of private security in BD BiH

Decline of private security subje..



Decline of number of certified staff



²² Memo of BiH Brčko District Police, number 14.04.1-04-2107/16 from 29.06.2016

²³ The comparison was performed on the basis of information that DB has 248 police officers. Source: Letter of BD Police. No 14.05-33-3035 / 16 of 21.09.2016.

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*Centar za sigurnosne studije
Centre for Security Studies*

*Branilaca Sarajeva 13/I, 71 000
Sarajevo*

Tel: +387 33 262 455 / 262 456

Fax: +387 33 223 250

e-mail: info@css.ba

www.css.ba