



Observatoire ARGA

Report on Sanctions and Compliance for 2025

**PRIVATE MILITARY ECONOMY AND THE
CRIMINALIZATION OF SECURITY**

**The Fusion of Private Security Structures, State Institutions, and
Transnational Criminal Networks in Eurasia**

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Executive Summary

The security system in Eurasia has undergone a structural shift comparable in scale to the emergence of new forms of statehood. The state's monopoly on the legitimate use of force—long considered a central principle of Weberian political order—has, in practice, collapsed. Over the past 10–15 years, military and coercive capabilities have been partially privatized, removed from full state control, and redistributed among a wide range of non-state actors who lack democratic accountability or legal constraints.

1. The emergence of a new coercive ecosystem

This transformation is not spontaneous — it is institutionally entrenched. A private military economy has formed in the region, built on competition for the right to use force, protect assets, conduct military operations, and exercise economic control. Key actors include:

- private military companies (PMCs) operating in the interests of states and corporations;
- security and enforcement holdings embedded in major business structures;
- criminal armed groups legalized through the “security industry”;
- hybridized intelligence agencies (combining coercive and economic functions);
- transnational shadow contractors linked to resource and logistics hubs.

The coercive function is no longer vertical or centralized — it is distributed across parallel clusters that compete, cooperate, and periodically engage in violent confrontation.

2. Why this system is dangerous

Privatized security structures perform functions traditionally assigned to the army, the interior ministry, and intelligence agencies — but do so outside the rule of law and without parliamentary or judicial oversight. Their activities include:

- participation in combat and counterterrorism operations in conflict zones;
- violent support for extraction and export of oil, gas, metals, and rare earth elements;
- managing armed units on behalf of corporations, clans, and governments;
- involvement in corporate wars, hostile takeovers, and asset redistribution;
- servicing shadow exports, smuggling, gold trafficking, and crypto-currency operations;
- protecting illegal logistics and financing schemes, including USDT-based laundering;
- operating as informal intelligence services capable of kidnappings, surveillance, and pressure on exiles and political opponents abroad.

This makes the system not only an economic actor but also a geopolitical one. Foreign policy, once the domain of ministries of defense and foreign affairs, is now partially executed by armed corporations.

3. Drivers of the private coercive economy

The report identifies three systemic sources of transformation:

1. geopolitical fragmentation and sanctions → increased demand for illicit coercive services;
2. deepening clan-oligarchic economies of Eurasia → coercive capacity as a business instrument;
3. financial digitalization and the rise of crypto-economies → the ability to fund armed groups beyond regulatory oversight.

Thus, the private military economy is not a breakdown of the state — it is its new configuration, where coercive capital becomes a market commodity.

4. Why this threatens the global order

The privatized coercive sector of Eurasia already influences:

- conflicts in Africa, the Middle East, Ukraine, and the Caucasus;
- oil, gas, and mineral supply chains;
- transit of sanctioned goods and the USDT-based crypto-economy;
- international operations targeting businessmen and political figures;
- migration flows and refugee security.

PMCs, criminal clans, and corporate enforcement groups operate according to market logic rather than legal norms — which means war and violence become economic products.

5. The task of the ARGA Observatory report

This report:

- maps the private coercive economy of Eurasia and adjacent regions;
- describes the structure, actors, and economic models of the coercive market;
- identifies channels of criminal financing, including crypto and offshore chains;
- analyzes consequences for international security and financial systems;
- proposes strategies for global regulation and monitoring.

This is the first systematic attempt to show how coercive capabilities became part of a private market — and what consequences this creates for the 21st century.

1. Methodology

The methodological framework of this study is built on an interdisciplinary combination of open-source intelligence analysis (OSINT), field-based witness information (HUMINT), criminological datasets, and systemic examination of transnational coercive operations. The approach focuses not only on describing individual incidents but also on identifying economic patterns that reveal how the private military economy has become embedded within state mechanisms and criminal networks.

The report relies on several analytical pillars:

- OSINT, HUMINT, and criminological data arrays, including investigative journalism materials, public court rulings, shadow network databases, and interviews with conflict participants.
- Analysis of the activities of PMCs, security conglomerates, and coercive contractors, especially in resource extraction, protection of international logistics routes, corporate warfare, and export operations.
- Study of 87 cases of coercive involvement in corporate conflicts, where data were available on the use of armed groups, raider operations, and force-based asset control.
- Geographic monitoring of operations across the CIS, the Caucasus, Central Asia, and the Middle East, documenting the spread of private coercive actors beyond national jurisdictions.
- Review of Interpol, Europol, and UNODC materials, including documents related to transnational terrorism, arms trafficking, and private military contracting.
- Cryptocurrency on-chain analytics used to trace financing streams linked to PMCs, pseudo-military contractors, and shadow groups operating abroad.
- Expert interviews with former military personnel, private contractors, regional security analysts, as well as business owners confronted with armed involvement in corporate takeovers.
- Integrated ARGA Observatory analytics (2020–2025) providing a foundational dataset on the evolution of coercive-economic actors and criminal networks across Eurasia.

The methodological objective is not only to document facts but also to identify structural patterns — showing how private coercive capability transforms into an economic instrument, and how criminal and state functions begin to operate within a unified system.

2. Introduction: The New Privatized Security Architecture

Over the past decade, Eurasia has undergone a radical transformation of its security sector. Military power has ceased to be exclusively a state resource — it has become a commodity, a service, an investment asset, and a geopolitical instrument. Whereas private security actors previously existed as auxiliary or illicit structures, they have now evolved into one of the key politico-economic institutions operating in parallel with, and often in place of, official military and law-enforcement bodies.

Private armed groups, PMCs, security conglomerates, corporate paramilitary units, and criminalized military networks form what can be described as a Private Military Economy (PME). This system has its own governance structures, financing models, labour markets, cross-border infrastructure, and political leverage. Yet PME remains outside comprehensive regulation—thereby increasing levels of violence, reinforcing corrupt alliances, and reshaping the very nature of statehood.

Key features of the new architecture:

1. Erosion of the state monopoly on force.

Private armed groups increasingly perform functions traditionally associated with intelligence services and the Ministry of Internal Affairs — protest suppression, interrogations, intelligence gathering, participation in arrests, and even conducting combat operations abroad.

2. Economization of violence.

Force becomes a commercial tool purchased for asset protection, raider attacks, territorial control, resource-extraction security, protection of political leaders, and the suppression of competitors.

3. Integration with criminal networks.

Private military structures cooperate with organized crime groups, engaging not only in protection, but in the transport of illicit goods, escorting contraband, debt collection, and the physical elimination of rivals.

4. Financing via cryptocurrency and offshore channels.

Operations are funded through USDT chains, offshore vehicles, and pseudo-banking digital wallets, making transactions legally untraceable and embedding the security market in the global shadow economy.

5. Expansion beyond national borders.

Private military formations from the CIS and the Caucasus operate in conflicts across Africa, the Middle East, and Asia, acting as mercenary forces, instructors, transport operators, bodyguards, and expeditionary corporate units.

Thus, the private military economy does not merely coexist with state security institutions — it gradually replaces them, forming a parallel governance circuit in which:

- the state preserves the appearance of legitimacy,
- coercive groups control real resources,
- capital and weapons circulate in shadow corridors,
- and the monopoly on violence becomes a privatized asset.

PME is not simply an economic sector — it is a new form of power.

This model shifts the balance of forces in Eurasia, accelerates the criminalization of politics, and creates long-term risks for international security.

3. Structure of the Private Military Economy

ARGA Observatory identifies five functional tiers of the private military economy, which interact with one another and form a unified market of force. Each tier may operate autonomously, but more often functions within hybrid power–economic alliances where private actors work in the interests of states, business groups, and criminal networks.

3.1. Private Military Companies (PMCs)

PMCs constitute the core of the new security–economic model. They function as exportable military forces providing combat services, infrastructure protection, resource-extraction security, personnel training, and covert operations.

Key characteristics:

- participation in armed conflicts outside the country of origin;
- performing missions that the state cannot publicly acknowledge;
- protecting energy, logistics, and mining infrastructure;
- providing coercive support to ruling groups and state-backed projects;
- involvement in geopolitical operations presented as “private business.”

PMCs become instruments of foreign policy, where military force is delivered as a commercial service and the state formally removes itself from responsibility.

3.2. Security Holdings and Corporate Paramilitary Structures

These are formally legal entities that outwardly function as security services but in practice operate as parallel law-enforcement bodies embedded within large corporations.

They:

- control industrial assets, mines, refineries, and logistics hubs;
- participate in corporate conflicts and raider takeovers;
- conduct surveillance, physical pressure, and accompany searches;
- act as instruments of elite protection and business-property security.

Corporate security departments thus transform into private micro-intelligence agencies capable of competing with state institutions and, at times, cooperating with them.

3.3. Criminal Groups as a Coercive Component of the Economy

Organized criminal networks are integrated into the private military economy as executors of “dirty work,” providing maximum deniability when the state or corporate actors cannot act openly.

They are involved in:

- debt collection, asset seizure, and coercive enforcement;
- illicit trafficking of weapons, narcotics, rare metals;
- escorting contraband shipments and shadow transit routes;
- operations related to forced dispossession of property.

Criminal structures supply the coercive presence where official state tools are unusable or undesirable.

3.4. Hybrid State–Criminal Security Networks

This is the most dangerous tier of the system. Here, intelligence services, criminal actors, and business interests merge, producing a semi-state coercive infrastructure beyond institutional control.

Features include:

- coercive operations masked by the legal rhetoric of “anti-corruption”;
- asset seizures disguised as returns to “state ownership”;
- intelligence agencies using criminal channels for external operations;
- cyber intrusions, digital harassment, and crypto-transit as routine instruments.

Such networks possess the practical right to violence and de facto immunity from prosecution, undermining the rule of law and creating a parallel vertical of power.

3.5. Financial Mechanisms and the Funding Infrastructure

A market of force requires stable financial support; therefore, the private military economy relies on shadow payment systems that ensure anonymity and cross-border liquidity.

The financial architecture includes:

- cryptocurrency settlements (USDT, TRON, BSC, OTC pools);
- offshore trusts and SPV structures used to pay contracts;
- pseudo-banking networks and P2P currency exchanges;
- PMC financing routed through corporate “fronts.”

Regulators cannot match the speed and opacity of these flows, enabling the PME to operate globally, rapidly, and without traceability.

Summary Model

The private military economy is a five-tier system in which PMCs, corporate security services, criminal groups, hybrid state–criminal networks, and shadow financial mechanisms together form a new coercive market operating outside classical law. This structure has become an institution of power, reshaping the political and economic map of Eurasia.

4. Geography of the Private Military Economy

The private military economy in Eurasia forms several stable regional hubs, each with its own characteristics, models of state–criminal integration, and mechanisms of coercive influence. Below is an expanded regional map.

4.1. Russia — the Core of the Region’s Private Military Architecture

Russia has developed the most advanced and institutionally entrenched network of private coercive structures. PMCs operate as instruments of foreign policy, while security holdings function as internal mechanisms of property redistribution.

Key characteristics:

- the largest concentration of PMCs and corporate security structures in Eurasia;
- direct state supervision, including financing and operational control;
- participation in military and quasi-military operations abroad;
- protection of infrastructure, resource assets, and logistics routes;
- use of PMCs and security groups in corporate conflicts and raider takeovers.

Russia exports a model of the coercive business where the private military economy is used as an extension of state foreign policy.

4.2. Kazakhstan — Business-Oriented Security Holdings

In Kazakhstan, the private coercive economy is embedded in the corporate and clan structure of power. Security holdings and private force contractors are closely tied to influential political groups.

Specific features:

- security holdings serve as tools of control over oil and gas assets, financial institutions, and land resources;
- PMCs de facto participate in corporate disputes;

- state structures employ private security companies for pressure and “asset return”;
- a significant share of the market is integrated into offshore financial schemes.

Here, the private coercive economy is a mechanism of property redistribution between elites.

4.3. The Caucasus — Fragmented Armed Networks

The Caucasus is characterized by a pluralized coercive market. Instead of a centralized PMC model, the region hosts numerous armed groups ranging from private formations to quasi-state paramilitary units.

Key components:

- private armed formations tied to political and business groups;
- involvement in regional conflicts and coercive pressure on entrepreneurs;
- access to the shadow weapons market;
- participation in transborder schemes involving Turkey, Georgia, and the Middle East.

The region represents a hybrid environment where state and criminal coercive structures coexist and compete.

4.4. Central Asia — Coercive Networks Interwoven with Criminal Structures

Central Asia is the area where the private military economy is most closely connected to criminal and narco-financial networks. Private security companies and armed groups are used to control capital flows, logistics corridors, and resource extraction.

Characteristic features:

- private security structures effectively substitute state law enforcement;
- tight integration with the shadow economy, smuggling, and illicit transit;
- involvement in “problem-solving” for entrepreneurs and foreign investors;
- coercive enforcement functioning as a market service.

This region shows the highest level of criminal integration, where the role of the state is often formal.

4.5. Middle East (UAE, Turkey) — Financial and Logistical Hub of the PMC Economy

The UAE and Turkey play a central role in the financing, offshore structuring, and relocation of Eurasian private military actors.

Key components:

- jurisdictions for registering PMCs, security holdings, and logistics operators;
- hubs for the “export of force” and personnel rotation of PMC staff;
- offshore banking and cryptocurrency infrastructure used to finance operations;
- brokerage platforms for deals across the Middle East, Africa, and Central Asia.

The region functions as the financial core of the private coercive economy, ensuring its sustainability and global reach.

Conclusion

The geography of the private military economy is a system of nodes and corridors:

- Russia — the center of force export;
- Kazakhstan and the Caucasus — the infrastructure of internal control and conflict;
- Central Asia — the criminal energy conduit;
- the Middle East — the financial pillar of the system.

5. Case Studies

The presented cases illustrate three characteristic scenarios within the private military economy: coercive intervention in business conflicts, protection of shadow financial flows, and the use of security holdings as instruments of hybrid intelligence. Each example demonstrates different mechanisms of pressure, role distribution, and transnational implications.

Case 1 — PMC in a Corporate Conflict

In this scenario, a private military company is employed as a coercive instrument in a business dispute. The PMC acts not only as a protective force but also as an operational component of corporate raiding.

Key elements:

- the coercive structure participates in pre-litigation pressure on business partners;
- physical and operational blockades of assets, production sites, and logistics nodes are carried out;
- PMC personnel are used to support raiding actions — seizing documentation, changing management, pressuring minority shareholders;
- in several cases, media campaigns and criminal proceedings are launched simultaneously, amplified by the presence of an armed resource.

Conclusion:

The PMC becomes an informal extension of the judicial and law-enforcement system, executing the part of the conflict that the state cannot formally authorize. This erodes the very concept of legal protection and creates a market for “coercive services” accessible to elites.

Case 2 — Coercive Support for Capital Flight

In the second case, the private military structure is used not for attacking but for ensuring the functioning of an illicit financial route: protecting smuggling flows, providing physical support for the movement of assets, and safeguarding cryptocurrency operations.

Scenario structure:

- the private coercive group ensures security for a criminal or grey-zone capital-outflow channel;
- cooperation with corrupt representatives of intelligence services or the Ministry of Internal Affairs guarantees immunity for the scheme;
- the armed resource participates in the transportation of cash, precious metals, grey goods, or digital assets;
- logistics routes across the EAEU, the Caucasus, or the UAE are used to evade sanctions oversight.

Conclusion:

Here, the PMC functions as both a security and operational element of financial infrastructure rather than a combat unit. This leads to the emergence of a new class of “coercive-financial intermediaries” servicing Eurasia’s shadow economy.

Case 3 — A Security Holding Integrated with Intelligence Services

The third scenario represents a complex hybrid model in which a private coercive structure effectively acts as a front for an intelligence agency. Through it, pressure on opponents, asset control, and transnational operations are executed.

Distinctive features:

- the security holding is linked to former intelligence officers or is financed through affiliated state entities;
- the company participates in suppressing opponents domestically and abroad — including physical accompaniment of arrests, threats, surveillance, and data theft;
- the holding contributes to fabricating criminal cases by passing information to state security bodies;
- international mechanisms are used — Interpol requests, asset freezes, and legal attacks in foreign courts.

Conclusion:

In such a case, the private coercive structure becomes a hybrid state security instrument while formally maintaining autonomy. This enables the state to conduct operations that cannot be legally formalized — an “unacknowledged intelligence service” operating under the guise of a private security business.

6. Global Risks

The phenomenon of the private military economy in Eurasia creates a broad zone of geopolitical, legal, and economic turbulence. Presented below are the key risks associated with the expanding influence of PMCs, security holdings, and hybrid coercive formations.

1. Blurring of Boundaries Between the State and Organized Crime

The fusion of private armed structures with state security agencies results in the emergence of a parallel system of violence that operates outside legal and international oversight.

As a result:

- criminal groups gain access to military resources and intelligence technologies;
- the state employs private structures to carry out operations that cannot be legally legitimized;
- a shadow coercive economy emerges, competing with formal state institutions.

This produces a new class of actors who possess force, money, and political connections — without democratic accountability.

2. Threats to Business and Property Rights

Private coercive structures increasingly act as instruments in corporate wars, hostile takeovers, and economic pressure.

Main consequences:

- armed groups participate in seizing offices, production facilities, and logistics hubs;
- owners are deprived of assets outside any judicial procedure — decisions are made “in the language of force”;
- companies are compelled to pay for protection to avoid becoming a target of a PMC or its clients.

Thus emerges a market for “coercive protection of property,” where violence becomes an economic service and law plays only a secondary role.

3. Pressure on Refugees and Applicants for International Protection

PMCs and security holdings are increasingly used to persecute businesspeople, elites, and former officials who have fled abroad.

Forms of pressure include:

- surveillance and physical presence in foreign countries;
- threats against families and children;
- attempts at kidnapping and extraterritorial coercion through extradition mechanisms;
- cooperation with local criminal networks and corrupt security officials.

This complicates the asylum systems of the EU, the United States, and Canada, as threats originate not only from states but also from private military formations acting as proxy operators.

4. Financing Through Cryptocurrencies and Digital Schemes

Private coercive structures actively integrate into the cryptocurrency economy, using it for:

- covert operational financing;
- paying for services and weapons procurement;
- anonymous international transfers;
- laundering proceeds from raiding and asset buyouts.

USDT markets in the UAE, Turkey, Georgia, Kazakhstan, and Hong Kong play a special role, giving PMCs rapid access to liquidity outside banking oversight. This creates an alternative financial ecosystem unrestrained by AML regulations.

5. Threats to International Security

The expansion of PMCs and coercive holdings into global security markets leads to:

- export of armed services to conflict zones;
- the formation of transnational military networks;
- increased influence of informal actors on wars and political processes;
- migration of coercive resources into Africa, the Middle East, and South Asia.

The widening access of PMCs to European, Middle Eastern, and African hubs turns them into autonomous geopolitical actors. This undermines the stability of global security markets and erodes the state's monopoly on the legitimate use of force.

7. Forecast 2025–2027

1. Growing Role of PMCs in Corporate Wars

In the coming years, private military companies and security holdings will become even more deeply embedded in the structure of corporate conflicts. For elites and major business groups, PMCs are no longer merely instruments of physical protection, but key components of coercive

strategy: armed support during “inspections,” de facto blockades of facilities, demonstrative presence at assets, and involvement in “negotiations” as a coercive argument.

As a result, classical legal instruments (arbitration, civil claims, negotiations) will increasingly be displaced by coercive enforcement, and corporate wars themselves will take on the character of partly militarized confrontations.

2. Geographic Expansion of Operations (UAE, Turkey, Africa, the Caucasus)

Further geographic expansion of private coercive structures beyond their original jurisdictions is expected. The UAE and Turkey will continue to serve as logistical and financial hubs where PMCs and security holdings operate as ostensibly legal security contractors, while in practice functioning as operators of complex political-economic schemes.

In the Caucasus and selected African states, Eurasian PMCs are likely to expand their presence through “contract missions,” protection of infrastructure, escorting logistics, and participation in local conflicts.

This will increase the export of coercive influence and create new zones of competition between states and private actors.

3. Growth of Crypto-Financing for Coercive Structures

Financing for PMCs and affiliated groups will increasingly shift into the digital sphere. Cryptocurrencies, stablecoins, pseudo-banking schemes, OTC markets, and P2P platforms will enable fast and partially anonymous payments for operations, weapons, logistics, and “coercive services.”

This will complicate financial traceability and generate durable shadow budgets for coercive actors, difficult to monitor using classical financial controls.

In response, regulators in the EU, the United States, and Asia will intensify oversight of crypto-infrastructure, but the effect will lag behind, leaving several years for rapid expansion of crypto-based financing.

4. Pressure on International Courts and Interpol

As private coercive structures become more visible, their activities will increasingly produce transnational disputes involving human rights violations, unlawful deprivation of liberty, forced commercial transactions, and violent asset seizures.

This will result in a rise of cases brought before international courts, arbitration bodies, and UN mechanisms, as well as a growing number of contested Interpol requests.

Authoritarian regimes and affiliated elites will attempt to use Interpol and extradition mechanisms to pressure capital owners, “inconvenient” managers, and defectors from coercive structures.

Consequently, international institutions will face dual pressure: on the one hand, expectations for a firm response to abuses; on the other — attempts to politicize their decisions.

5. Formation of a Global Regulatory Framework for PMCs

As the role of PMCs and the private military economy expands, debates on the need for an international regulatory framework—beyond existing declarative instruments—will intensify.

Likely developments include: transparency standards, accountability requirements, licensing regimes, and controls over the cross-border activities of private armed groups, including obligations relating to beneficial ownership, funding sources, and operational zones.

At the same time, a number of states will resist strict regulation, viewing PMCs as useful instruments of foreign policy and economic influence.

As a result, the world will enter a transitional period: the actual role of PMCs already rivals that of state actors, while the legal framework remains underdeveloped, fragmented, and contested.

8. ARGA Observatory Recommendations

The global expansion of the private military economy requires a shift from passive observation to the development of control institutions. The recommendations below are addressed to international organizations, law-enforcement mechanisms, and research institutions.

For International Organizations

It is recommended that international bodies begin constructing a systematic regulatory infrastructure for private security structures and hybrid military corporations:

1. Develop a global registry of private military companies and security holdings, including information on jurisdiction of registration, ownership structure, sources of financing, operational zones, and associated criminal investigations.

Such a registry should serve as an international analogue to FATF lists, enabling early identification of high-risk entities before they engage in cross-border operations.

2. Establish a monitoring mechanism for cross-border PMC operations, particularly in Africa, the Middle East, the Caucasus, and Central Asia, where private armies increasingly substitute state institutions.

Oversight should cover contracts, weapons circulation, participation in corporate conflicts, and involvement in political processes.

3. Strengthen financial oversight, including AML requirements applied to PMCs and affiliated operators.

Transparency of funding channels must be ensured, including cryptocurrency schemes, offshore structures, and payments through unlicensed financial intermediaries.

It is recommended to develop standards for mandatory reporting and verification of the origin of funds for all coercive organizations.

For Interpol and Europol

International law-enforcement systems must adapt to the fact that private coercive structures increasingly engage not only in conflicts but also in criminal-economic processes:

1. Introduce monitoring of PMC involvement in international arrest requests and extradition procedures.

This will help detect cases where search notices are used as instruments of corporate warfare, pressure on business owners, or covert asset raids.

2. Create filtering procedures to prevent abuse of Interpol Red Notices and Europol cooperation.

PMCs affiliated with state or criminal structures may initiate politically motivated prosecutions.

Therefore, a mandatory verification mechanism should confirm the absence of political, economic, or criminal conflicts of interest before any notice is published.

3. Conduct systematic analysis of the use of coercive structures in corporate conflicts, classifying cases based on indicators of political pressure, unlawful asset seizure, cross-border persecution, and security-service interference.

The outcome should be an annual analytical warning for financial, legal, and regulatory institutions.

For Legal and Research Institutions

Academic environments and analytical centers are key custodians of long-term empirical knowledge. Their tasks for the coming years include:

1. Study the privatization of state coercive functions, with emphasis on how PMCs and security holdings become a new form of power — simultaneously commercial and political.

Comparative research across regions and jurisdictions is essential.

2. Analyze cross-border coercive operations, including the escorting of capital flight, participation in corporate raids, pressure on refugees, and targeting of elite groups.

A central task is the development of a risk-assessment methodology for foreign investors and individuals under threat of persecution.

3. Build comprehensive case databases, including documented PMC operations, episodes of participation in corporate wars, instances of Interpol Abuse, crypto-financing of coercive groups, and hybrid intelligence-security operations.

Such a database will become the foundation for an international early-warning system and future legal regulation.

9. Conclusion

The private military economy in Eurasia has ceased to be a peripheral component of the security landscape and has evolved into an autonomous system of power that shapes political decision-making, financial flows, and international security mechanisms. Private military companies, security holdings, criminal organizations, and hybrid quasi-state networks form a parallel infrastructure of violence that operates outside legal frameworks while simultaneously being integrated into state decision-making centers.

This system is not confined within national borders — it possesses cross-border mobility, economic adaptability, and a high degree of resilience to international constraints. PMCs participate in corporate conflicts, provide coercive support for capital flight, intervene in political processes, exert pressure on refugees and asylum seekers, and maintain connections with cryptocurrency markets and illicit financial channels. As a result, the privatization of security becomes not only a local phenomenon, but also a global threat.

The further expansion of this model will lead to an escalation of hyper-violent forms of economic competition, the erosion of legal guarantees of property rights, an increase in cross-border persecution, and the institutional degradation of the international legal order. If private coercive infrastructures continue to strengthen, regional conflicts will become internationalized, migration flows will be increasingly politicized, and financial centers will face growing infiltration by criminal and hybrid networks of influence.

The ARGA Observatory report provides a new conceptual framework for analyzing the private military economy and emphasizes the need for international regulation, monitoring, and institutional counter-balance. Developing legal standards, financial tracking mechanisms, registries of coercive corporations, and early-warning systems will become critically important priorities for governments, international organizations, and academic institutions.

Without the creation of a multi-level international policy of control, the private military economy will continue to expand, becoming one of the principal destabilizing forces of the 21st century.

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