

Viewpoint Paper

**National Critical Infrastructure Protection in Serbia:  
The Role of Private Security**

Dusan Davidovic, Zelimir Kesetovic, Ph.D., and Olivera Pavicevic, Ph.D.

**Abstract**

This article is an attempt to analyze critical infrastructure protection in Serbia and the role of private security. This is undertaken with an understanding that critical infrastructure protection is quite a new concept in Serbia because the critical infrastructure assets, networks, and security providers were previously those of state companies or public enterprises. By first offering a short history of the development of private security in Serbia in the last two decades, we try to analyze the current situation in Serbian after introducing readers to a European approach to critical infrastructure protection. Adopting the CoESS<sup>1</sup> definition of critical infrastructure, we discuss a previous CoESS white paper on public-private partnerships in critical infrastructure protection. We conclude by trying to identify the main conditions for more intensive and efficient public-private partnerships in the field of critical infrastructure protection and security.

**Key words:** *critical infrastructure, private security, critical infrastructure protection, European Critical Infrastructure Directive, Serbia, public-private partnerships*

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<sup>1</sup> CoESS (Confederation of European Security Services) is a confederation of national associations of private security companies throughout the Europe. Those national associations include 51,000 companies, with more than 1,600,000 employees. As such, CoESS is an umbrella organization for national private security industries, devoted to legalizing, harmonizing, and standardizing private security in Europe. CoESS is a social partner in ongoing social dialogue, while the EC (European Commission) and UNI Europe (syndicate organization) are second and third social partners in social dialog.

## 1 Introduction

In the security-related vocabulary in Serbia, the terms “private security” and “critical infrastructure” are relatively new, especially the latter. The phrase “critical infrastructure” doesn’t even exist in the official documents of security strategies and policies, but has been used recently in private security professional circles in Serbia, especially in the ones concerned with projects and activities of CoESS in Serbia and the West Balkans.

The term “national critical infrastructure” should encompass all “state-run companies”, i.e., all those companies in Serbia which are still owned by the state (the energy sector, telecommunications, transport, post office etc.). In the mid 1950s, these companies were protected by in-house security, with help from the police, and sometime army security services and intelligence services. From the second half of the 1970s, critical infrastructures, and all other state or public property, were protected by a huge, complex network known as the System of Social Self-Protection. In addition to the in-house security services, that System provided two additional layers of company property protection: inner financial control and workers committee control. Despite the fact that there were three layers of protection/controls, frauds and other losses nevertheless occurred. In comparison with today’s figures, however, those losses were minor.

The concept of private security is also new to Serbian security systems. In the past 20 years, the private security sector in Serbia has reached an employment level of more than 30,000 employees (almost the same number as police officers), spread out in less than 200 private security companies, with a yearly business volume of approximately €140 million.

The Serbian private security industry is trying to be fully incorporated in the European private security model, promoted by CoESS in the dialog with UNI Europa and EC. This means that private security in Serbia is striving to (1) harmonize its legislation with common European security legislation; (2) adopt all relevant European standards in private security; and (3) become an active participant in regional projects and policies.

This paper is organized as follows. First we will analyze private security and critical infrastructure issues in Serbia. We will then try to identify the critical aspects of the developing public-private partnership in critical infrastructure security and protection in Serbia and the region.

## **2 Private Security and Critical Infrastructure Protection in Serbia**

### **2.1 Private Security in Serbia**

Private policing is a relatively new phenomenon in the Serbian internal security system. The country experienced a sudden growth in the number of private security companies at the end of 1992, a development stimulated by the abolition of the Law on Social Self-Protection in 1993. This period signals the beginning of the private security sector in Serbia. From the outset, the development of the private security sector was moving in two directions: (1) towards establishing private agencies that were engaged in protecting “new businessmen”, politicians, and celebrities, but also criminals and both former and current members of the secret services; and (2) towards establishing private security companies that inherited the role and jobs of former security services in public companies that were engaged in traditional roles of securing property, people, or businesses (Davidovic, 2009).

In a relatively short period of time (about a decade), the number of employees in the private security sector came close to the number of employees in the police, more than 30,000. This increase in the private security sector is a direct consequence of the change of the state regime following October 5<sup>th</sup>, 2000. The process of privatization, and the arrival of foreign companies in the Serbian market, has led to an increase in the quality and quantity of private security.

This rise in the Serbian private security industry is confirmed by data indicating that the annual gross income of private security companies increased from €10 million in 2001 to approximately €26 million in 2003 and to €140 million in 2010 (according to official data from the NBS Solvency Centre). Investments by owners of private security companies have

tended to be directed towards new security technologies and equipment, rather than employee training and education.

Since the beginning of the development of the private security sector, there has been a chronic absence of legal regulation. Despite the fact that several pieces of legislation indirectly regulate the framework and the character of the private security field, a separate law on private security would largely prevent the serious problems that the security field faces in Serbia. These problems represent the main focus of this paper.

In an analytical sense, the general challenge that the private security sector of Serbia is facing is the ability to shape, build, and harmonise itself with the European model of private policing. Specific problems include:

1. The absence of an appropriate and contemporary categorical apparatus in the field of internal security, which results from the fact that in Serbia there is no clearly formulated national security concept based primarily on prevention (rather than repression). The course of historical change suggests that the social environment is increasingly becoming dominated by private entities.
2. This absence of a conceptual apparatus negates the possibility of an analytic framework from which to engage with critical opinion, conceptualization, and strategic planning.
3. There is a lack of legislation with which to regulate the many problems (or at least ill-defined issues) that occur in the private security sector. Examples include abuse of private surveillance systems by private investigators/detectives or other private security practitioners, the lack of regulation for tendering private security services, the lack of systematic training and education of security employees, problems with licensing of companies and employees in the security sector, the protection of employees' rights, and illegal competition in the security services market.

There is a serious lack of partnership between the private and state security sectors, which is a key precondition for ensuring the security and safety of citizens, the local community, and society in general. This is aggravated by 2 factors. Firstly, the governing

model of internal security in Serbia is one of state-centralization. Secondly, there is evidence of a persistent stereotype that holds that the police are the only legitimate provider of security in society (Kesetovic Z., Davidovic D. 2009).

A lack of communication and cooperation between public and private security sectors suggests that the Ministry of the Interior (MoI) and Serbian authorities are torn between competing demands to re-define and organize modern policing, on the one hand, and demands to preserve the status quo, on the other.

There is a lack of any concept of crime prevention at the national level, and therefore a lack of any vision about the place and the role of the private sector in prevention. Indeed, this raises the issue of the extent to which we can even talk about private policing in Serbia at all. If we strictly adhere to the definition of policing as a social concept that involves a wide circle of social factors involved in the maintenance of social order, then we can say that Serbia remains in the initial stages of creating conditions for the establishment of a private policing model.

The concept of policing actually represents a socialization<sup>2</sup> of the function of security. The concept has historical precedent within Serbia, and for two decades we have witnessed the system of social self-protection, the process of socializing the function of security against a strong ideological backdrop. Nevertheless, the huge social experience derived from the practice of social self-protection could and should be used in organizing the emergent concept of modern policing in Serbia.

The private security industry, despite the presence of unresolved problems, is entirely ready to integrate itself into such a concept. These problems can be easily and efficiently removed through the application of 4 basic principles: (1) the principle of legalization; (2) the principle of professionalization; (3) the principle of standardization; and (4) the principle of europeization.

The private security sector in Serbia is undeniably a reality as is the public/state sector. What has yet to become a reality is communication between the two sectors, and cooperation on the general concept of crime prevention, the removal of the threat of crime,

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<sup>2</sup> By the term "socialization" we understand a process of becoming public, i.e. common thing, common duty, common responsibility

and the elimination of the fear of crime that we have suffered for the past decade. However, at the same time, the private security sector represents an existing force that, with the expansion of its activities, will gradually increase in power, and subsequently find itself in a different negotiating position. Meanwhile, the relinquishing of traditional jobs and authority of the state monopoly also represents a measure of democratization of society. Judging by the present situation, and the activities carried out by the state security sector and the authority it continues to hold, the monopoly of state power embodied in the Ministry of Interior (MoI) still exists.

Perhaps it would be more precise to say that a large discrepancy exists between the proclaimed reform initiative of the MoI and what has actually been achieved in that sphere, and the extent of adjustment to market laws and private security sector models of development. Even though the lack of legal regulation in this field suited many (generally smaller) private security companies for quite some time, the past five years have seen the entire private sector publicly insist on the necessity of passing legislation.

After failing to prove receptive to such requests, there has been a growing awareness of the fact that private security is becoming international, and that leading private companies are establishing associations and are on the threshold of being accepted to CoESS (the Confederation of European Security Services). Central to this was a desire to standardize and professionalize their practice according to the European model and its associated market. There are many examples of attempts by private security companies to enhance the professional level of their personnel, by contracting with renowned scientific and qualified institutions, by investing substantial funds in state-of-the-art equipment, and by establishing cooperation with other companies in the region.

What we thus have is an absurd situation in which the social practice of private policing comes before social regulation in terms of norms and legislation. The majority of private security companies have certified their work according to ISO standards for commercial practice. Even though this is not a standard that refers solely to the field of security, its use indicates how seriously and professionally private security companies wish to do their job.

## **2.2 Critical infrastructure Security and Protection in Serbia**

### **2.2.1 European Approach**

We will consider “critical infrastructure” in the way CoESS did it in its white paper on critical infrastructure security and protection (CoESS, 2010), namely that critical infrastructure encompasses physical assets, networks, and organizations whose disruption or disabling would cause severe, lasting damage to social and economic life. Various national authorities have drawn up broadly similar lists of economic sectors which are covered by this definition; they generally include energy, water and food supplies, waste management, key transport networks (major airports and rail interchanges), financial institutions and cash supply, health services, and state emergency response organizations.

The European Union has recently started dealing with the problem of critical infrastructure protection. This increased emphasis on the protection of critical infrastructure is articulated in the European Critical Infrastructure Directive (Council of Europe 2008) which focuses on so-called “European” critical infrastructure (ECI)—assets or systems whose disruption would have a major impact on at least two EU Member States, or a Member State other than the one in which the asset or system is located (CoESS, 2010).

The Directive mandates Member States to identify all such infrastructure, ensure a risk assessment is carried out for all its elements, and ensure an Operator Security Plan (OSP) is drawn up. The broad headings which must be included in each plan are set out in the Directive. Each Member State must check that its ECI elements each have an OSP. If any ECI operator has failed to draw up such a plan, the Member State may take “any measures deemed appropriate” to ensure it does so.

Member States must report every two years to the European Commission “generic data on a summary basis on the types of risks, threats and vulnerabilities encountered per ECI sector” (CoESS, 2010).

This Directive surely represents a useful tool in the strategic battle for security and safety of countries and their citizens on Europe’s territory. We must, however, ask ourselves what’s happening with the countries that are neither members nor candidates for EU membership. A huge number of critical infrastructures are dominantly of either national or local character and as such are outside the purview of ECI. The fact that any attacks on critical

infrastructures, even if they are of a local nature, can seriously jeopardize social and economic elements of a nation's life, or several of them, the question arises whether this Directive has an integral European character, or whether it is a consistent system of critical infrastructure protection of EU members alone.

This question is inevitably asked by EU country candidates, and even more often by the countries that are about to become candidates. In many of these countries, the term "critical infrastructure", as is the case in Serbia, does not appear in security policies. In other countries, even in those that have recently become EU members, the remains of old security policies and practices, and unfinished reforms of security structures/systems play an important role, and these countries may be insufficiently flexible and unprepared to adequately integrate themselves into the global European security environment.

In that sense it could be productive to take into consideration the possibilities of applying the ECI Directive to the West Balkans. Firstly, because of the fact that the ways in which critical infrastructures have been secured and protected in many European countries vary from 100% by state authorities (police, military, specialist protective services), through a mixture of state in-house security and private security service, up to fully contracted private security. A similar situation exists in Western Balkan countries.

Secondly, because experience and good practices already exist in EU countries, these could be leveraged to improve practices in the Western Balkan region.

Thirdly, security and protection of critical infrastructure (in addition to other areas) are increasingly based on Public Private Partnership (PPP). This model of security policy is not very familiar to Western Balkans countries or, or at least this model is just beginning to be adapted. Securing and protecting critical infrastructure is one of the most suitable areas for public-private partnerships, given their often public (national or local) character, which is translated in public ownership or public management or public objective. It is also undoubtedly a development in Europe in general that more and more sectors and assets are taken away from public security to the benefit of the private security sector (CoESS, 2010).

From the following examples, which are quoted by the aforementioned white paper (CoESS 2010), it should be clear that it would be important and useful if the ECI Directive would expand to West Balkan countries.

### **2.2.2 Best Practices in PPP for Protecting Critical Infrastructure**

In the aforementioned white paper, CoESS recognized some vivid examples of efficient public-private partnership in protecting critical infrastructure.

Project Griffin in the United Kingdom, for example, was established in 1994 by the City of London police. It was meant to deal with security in the financial district of London, which has been targeted several times by terrorists. This project consists of four key activities:

- Awareness training for private security officers, provided by the local police. The focus was on how to recognize, respond to, and report suspicious activity such as terrorist surveillance of potential targets.
- Online refresher courses which maintained participants` interest and skills and enabled formal accreditation.
- Regular communication between police and security officers, either by conference call, SMS, message, or e-mail, to ensure current intelligence and incident reports are disseminated in a timely manner
- Emergency deployments: private security officers who have undergone Griffin training may be used by police to support them in responding to incidents, for instance in establishing and manning cordons.

Project Griffin has been rolled out to approximately half the police forces in the UK as well as to ports and airports. It has also attracted attention in the USA, Australia and Singapore (CoESS, 2010).

Another example is the German cities in which private security companies have come together with the local police to pool information and share it with the police. In these projects, mobile patrols by private security companies, travelling between costumers sites, may spot suspicious persons or vehicles, or may witness possible unlawful activity. The officers transmit this to their company operations center, which then passes it on to the local police for assessment and possible further action. This public-private cooperation has proven to be highly effective, and is very welcomed by the German police forces. Through incorporating private mobile patrols the number of "surveillance vehicles" on the street each night has been more than doubled (in some cases even tripled) in comparison to the number

of police vehicles patrolling these cities. In one German city, Düsseldorf, for instance, the scheme has led to more than 500 reports of suspicious activity including 12 burglaries and one fire.

A third example of an effective public-private partnership comes from Spain where police recognise that private security officers are a valuable resource. All contracts signed between private security companies and their customers must be registered with the police, including details of the numbers of staff involved and services provided. The police have also established a 24-hour telephone number to enable them to communicate rapidly with the private security industry (CoESS, 2010).

These case studies clearly demonstrate that well-defined, well-managed and well-monitored public-private partnerships are efficient, effective and, increase the security of critical infrastructure.

CoESS researches concluded that, in order to be successful, these partnerships must comply with certain criteria. These include an open dialogue between responsible public authorities and private security providers, clear instructions regarding the role of each partner, a clear legal or contractual framework, regular evaluation, and necessary corrections and improvements when and where needed.

### **2.2.3 The Case of Serbia**

Most of the critical infrastructure in Serbia is protected by former in-house (state) security services. During the 90's period of privatization, these security services became separate companies which now offer services to customers like any other private security company on the private security market. But for now, they primarily protect only public companies, that is, they protect the critical infrastructure from which they originated.

This is particularly the case for the sectors of energy, water-management, post office, telecommunications, and railways. Other critical infrastructure such as the health sector, water supply, river ports, airports etc. are protected by private security companies, usually in a mixture with in-house security services.

In our view, the key problems in critical infrastructure protection in Serbia are: (1) cases of severe economic crime within critical infrastructure; (2) absence of public-private partnerships in protecting critical infrastructure; and (3) dramatically politicized management.

Speaking of the first of the aforementioned problems, it turned out that companies which are important and vital for the country and society are the favourite prey of “criminals protected by the state”. A recent investigation of crime committed during 8 years in the huge complex of the thermal-power plant Kolubara, by the management and managing board members, tentatively shows a paradoxical situation in that many critical infrastructures in Serbia are primarily endangered from the inside and not from the outside. The dossier consisting of more than 30,000 pages regarding the crime committed in this thermal power plant that caused the damaged worth more than €250 million, tells a lot about the size and severity of the problem.

The second problem, the absence of PPP, is a chronic disease of internal security in Serbia. Research carried out in 1986 (Davidovic, D. 1993) by the Institute for Crime and Sociology Related Research showed that the partnership between the police and security service in public companies almost didn't exist. This can be explained by the strong stereotypes about the omnipotence of the police in security-related activities, but also by the low level of democracy in Serbian society.

The third problem is the joint problem of the majority of societies in transition. Such societies experience all the negative consequences of chaotic privatizations carried out in ways that tend to line the pockets of political, criminal, and economic elite from the former socialist governance. Indeed, critical infrastructure security in Serbia that hasn't been privatized has become the prey of political parties that take considerable funds from these rich companies to finance their programmes and campaigns. That kind of management always has to ask its party top officials in the first place whether it may introduce a novelty/change in the company management, especially if those changes regard security policy within critical infrastructure.

### **3. Conclusion**

The role of private security in Serbia is continuing to expand. There are three main reasons for this. After 18 years, private security in Serbia has finally become legalized; a special law on private security is in the process of being adopted. Also, the Serbian Association of Private Security Companies and the Association for Private Security at the Serbian Chamber of Commerce are raising awareness of private security, and the need for professionalization and standardization. Finally, CoESS is providing important assistance in the processes of preparing Serbian private security to enter a European model.

Private security in critical infrastructure protection has clearly not reached its full potential in Serbia. Best practices discussed in the CoESS white paper that we quoted so much in this article seems like a distant goal for private security in Serbia. Public-private partnerships in UK, Germany, and other countries could be very useful examples of practicing PPP not just for Serbian, but for the other countries in the region as well

In our view, the critical infrastructure protection strategy given in the ECI Directive, the coordination with private security in EU done by the CoESS, and the proscribed guidelines for enforcing public private partnerships, also by CoESS, must become “homework” for all key actors in the field of security. This include responsible decision makers (governments, politicians), owners and operators of critical infrastructure, and the private security services industry as a whole.

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## About the Authors

**Dušan Davidović**, Sociologist, is an independent researcher at the Institute for Criminological and Sociological Research, and the Director of the Crime Prevention Center. From 2003-2006, Professor in Sociology at the Police College in Belgrade. Author of many articles published in domestic and foreign journals; author of numerous papers presented at national and international conferences; Managing Director of various training courses for private security personnel; one of the founders of Specialist Studies for security managers at the Faculty of Civil Defence. President of the National Commission of Private Security Companies in Serbia, member of CoESS.

**Zelimir Kesetovic**, Ph.D. Political scientist and Associate Professor at the Faculty of Security Studies (Crisis Management). From 2000-2005, Professor at the Police College (Sociology) and Head of the Research & Development Unit. Member of the Think Tank for the police reform in Serbia. Expert consultant of the OSCE for the following projects: Police-Media Relations and Policing Diversity. Author of several monographs and a number of papers presented at national and international conferences and published in domestic and international journals.

**Olivera Pavicevic**, Ph.D. Political Scientist. Scientific Assistant at the Institute for Criminological and Sociological Research in Belgrade. Author of many articles published in domestic and foreign journals. Actively participating in all research at the Institute.