Central Asia

Rise of China’s private armies

Is trouble brewing as Beijing uses security firms to protect its people abroad, asks Odil Gafarov

The increasing use of private security companies and military contractors has changed the conduct of war in recent years. In Syria, Yemen, Afghanistan and other fault lines across the world, small teams of elite operators — in units consisting of 15 men or fewer — are outperforming conventional troops. Increasingly arms and power are held in private hands, instead of the state. As a result, the authority of the state can be undermined and trust between governments broken.

Central Asia is now emerging as a front line for operations by private security companies. The region will be a central transport conduit for China’s regional development project, the Belt and Road Initiative, which promises to revive connections between the East and West. Increased interest by Chinese private security companies in the region, if unregulated, would damage regional stability and cooperation.

Chinese private security companies grew up after 11 Chinese builders working on a World Bank project in Afghanistan were shot dead by the Taliban in 2004. Before 2006, when a new external security affairs department was established, Chinese embassies had little back-up if citizens were attacked or needed to be evacuated.

While the Chinese government has been hesitant to send police forces to protect its interests abroad, China’s expanding footprint in Africa and other unstable areas around the world has spurred demand for private security. Between 2006 and 2010, the government had to rescue 6,000 citizens from countries including East Timor, Chad, Lebanon, Solomon Islands, Tonga, Thailand and Haiti. In 2011, conditions in Libya and Egypt meant 48,000 Chinese citizens had to be evacuated.

Mounting costs and obstacles in coordinating evacuation efforts may have led the Chinese government to re-evaluate its security strategy for people working abroad. Early experiments with hiring western security contractors were disappointing, which only served to increase the demand for homegrown security firms. Importantly, the impetus to create these Chinese security firms was driven by market incentives, not political mandate.

Beijing Security Service and Hua Xin Zhong An Security Service, two of the first security enterprises to spring up, offered basic security provision for clients operating in mainland China, with limited interests in Africa. By 2010, a new breed of security firm had emerged offering highly
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trained special operations forces to protect Chinese personnel in state-owned Chinese oil and gas companies or banks working in such places as Iraq, Afghanistan or Pakistan. These included Shandong Huawei Security Group, the first Chinese security firm to open an overseas office, and DeWe Security Service, a firm operating in 37 countries that played a vital role in evacuations from African war zones. Boutique security firms such as Ding Tai An Yuan Security have found new markets addressing specific security challenges unique to the Belt and Road Initiative.

Africa has been the main region of operation for these Chinese firms, but as the Belt and Road project expands through Central Asia, the energy and resources of those firms will probably be redirected there.

Hybrid species on the march

Over the past 15 years, the Chinese private security industry has modernized the services offered to clients, who remain mostly Chinese. Until 2014, these firms were all funded and manned by Chinese nationals. The emergence of Frontier Services Group (FSG) has seen a radical change. Headed by Erik Prince, a former Navy SEAL and founder of Blackwater, this Hong Kong-based company is the first Chinese-funded, American-operated private security group. The organization, previously known as DVN (Holdings) Limited, was originally an aviation and logistics company providing additional security and training services. Its corporate structure is unique in China. Many of its senior management, including Prince as chairman, are non-Chinese — specifically retired American military specialists. With Chinese backing, Prince stated that he could ‘pursue [his] vision for Africa and globally in a transparent manner and with the most respected partners’. Indeed, many of his firm’s clients are Chinese private companies or state-owned enterprises with interests in infrastructure, oil and gas, and mining in Africa.

From the beginning, FSG has made efforts to distinguish itself from Blackwater, the private military company now renamed Academi, whose reputation was tarnished by the killing of 14 Iraqi civilians in Baghdad’s Nisour Square in 2007. FSG has enjoyed success with logistical projects in Africa and has hired legal advisers and auditors to provide transparent annual reports for public scrutiny. In 2016, FSG became a service provider for companies participating in the Belt and Road Initiative, and began setting up offices in Myanmar, Laos and Pakistan. Future offices are planned for Thailand, Cambodia, Kazakhstan and Uzbekistan.

In late 2017, FSG revealed an expanded range of services — including an offer to the Afghan government of the use of its aircraft for close-support combat operations. In 2018, Prince offered the US government use of his private contractors to bring the 17-year Afghan conflict to an end. His proposal argued that traditional troop deployments could be substituted by 6,000 contractors and 2,000 US Special Forces, cutting the annual cost of the war from $68 billion to $5.5 billion.

Since the collapse of the Soviet Union, China has developed closer relations with Central Asia through cooperative security arrangements. The framework of the Shanghai Five group, comprising China, Kazakhstan, Kyrgyzstan, Russia and Tajikistan, successfully resolved border disputes between its members and was later expanded into the Shanghai Cooperation Organization, to create a platform for cooperation on counterterrorism and security. In recent years, China’s economic interests have entered the picture; for example, its oil and gas interests in Central Asia are growing year on year and are challenging the dominance of Russian energy groups Gazprom and Lukoil. One example of a Chinese project is the Turkmenistan-China gas pipeline, that travels across Kazakhstan and Uzbekistan.
that private security firms can protect Chinese interests in Central Asia as they have in Africa. However, Central Asian observers would disagree: unlike many African states, the countries of Central Asia possess effective troops who can deal with security threats, because stability is their principal foreign policy concern. Kazakhstan and Uzbekistan, for example, are ranked among the top 50 most powerful armies in the world, according to Global Firepower.

Most of the security challenges facing Chinese companies stem not from the inability of Central Asian countries to provide basic security, but from clashes between the local populations and workers and the deeply rooted fear that an influx of Chinese workers might affect demographics.

Examples were the clashes between locals and workers in 2014 at two oil refinery construction sites owned by Chinese construction company Zhongda Group in Kyrgyzstan, one at Tokmok and the other in nearby Kara-Balta. The Kyrgyz government intervened successfully in both instances to deport some of the unruly Chinese workers.

The latter type of security challenge was seen in Kazakhstan in early 2016, when thousands of protesters rallied against land reforms proposed by the Kazakh government in the oil cities of Atyrau and Aktau, because they feared the new rules would permit Chinese investors to buy Kazakh land. In some cases, security challenges take the form of terrorist attacks, such as the suicide bombing of the Chinese embassy in Bishkek by locals linked with Uyghur separatists that injured three local embassy staff.

These and future incidents might tempt Chinese companies to secure their projects using private security companies. As the value and number of Chinese investments increase with the Belt and Road Initiative, the risk of private security involvement and proliferation across Central Asia will increase. Thus far, Chinese companies have complied with local laws and only engaged unarmed local security guards.

If, in the future, Chinese companies decided to engage private security firms, it would be important to imagine what characteristics they might have. Recent experience reminds us that Chinese companies prefer Chinese security companies. However, with the appearance of a hybrid companies such as Frontier Services Group the lines have blurred. Alessandro Arduino, an expert on Chinese private security firms, believes that the high profitability of private security may increase the deployment in Central Asia of Russian contractors with combat experience in Donbass and Syria, because command of the Russian language is a desirable asset in the region. Chinese security firms have avoided hiring foreign talent, but hybrid companies may not. If Chinese-owned, western-run security firms begin to employ Russian contractors, they would have unrivalled operational prowess without any accountability, with serious implications for regional security.

Central Asian countries have made surprisingly limited preparations to deal with the potentially rapid growth of these hybrid security firms in Central Asia. Akram Umarov, an Uzbek political scientist, believes that the arrival of Chinese security firms in Central Asia cannot be ruled out. At the same time, Anna Gussarova, a Kazakh scholar and director of the Central Asia Institute for Strategic Studies, notes that this topic has never been raised by regional researchers and no literature exists on this matter. Abdughani Mamadazimov, a Tajik political scientist, believes that Chinese security firms would face a number of challenges on arrival in the region. He also believes that the Chinese government would not let this happen in Tajikistan, given Russia’s close security ties with that country.

Current research recognizes that Central Asian regional policy requires contingency planning for Chinese companies, notwithstanding the close cooperation between Beijing and Central Asia and the existing security cooperation agreements. It is important to emphasize that decisions made by these Chinese companies are dictated by markets, not official Chinese policy. China and Central Asian countries must talk to each other and work out solutions to preempt any misunderstandings that will inevitably arise if Chinese security firms enter the region.

The best solution for Central Asian countries is to view these emerging security challenges as opportunities to deepen collaboration with the Chinese government through existing channels of military and civilian cooperation.

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