THE ISSUE
Recent reports from the U.S. Department of Defense and U.S. Congress on Chinese military and economic power contain no reference to Chinese private security companies (PSCs). While estimates suggest as many as 20 to 40 Chinese PSCs are operating abroad in some 40 countries, China operates more than 7,000 PSCs domestically. In the context of increasing threats to Chinese infrastructure and Chinese nationals overseas and the Chinese government’s unwillingness to deploy the People’s Liberation Army abroad, PSCs are a well-positioned tool for the Chinese Communist Party (CCP) to project power abroad. This type of asymmetric power projection illustrates shortcomings in conventional U.S. thinking about force projection and underscores how U.S. adversaries continue to use irregular and subtle means to degrade U.S. influence around the world.

While mercenaries have long played a role in warfare, the prevalence of private companies in modern combat has grown more pronounced than ever. Private military companies (PMCs) and private security companies (PSCs) provide policymakers with attractive ways to project power, including low-profile alternatives to uniformed military deployment and significant cost savings. Moreover, in the current era of strategic competition among the United States, China, and Russia, the struggle for influence is playing out deliberately at a level below the threshold of armed conflict, and such companies are a useful instrument to expand regional and global influence and to create new dilemmas for competitors.

Use of PMCs and PSCs by the United States has been extensively researched, and contemporary Russian use of these companies has been well documented in open-source media, including deployments to more than 30 countries, including Europe, the Middle East, Africa, and South America.¹ However, Chinese use of such companies is less well documented. A handful of academic and scholarly articles exist addressing how China has used these companies in the past and how China plans to use them in the future—in particular China’s preference for using PSCs to provide a suite of security services to Chinese companies abroad, rather than using PMCs, which are used to provide discrete tasks that militaries usually provide, including training and equipping foreign forces and projecting military force.

The gap in literature on Chinese PSCs comes at a critical time when policymakers are asking how the United States and the international community are reorienting toward competition with China. Yet, somehow, reference to Chinese PSCs is conspicuously absent from key U.S. government reports on Chinese force projection. The U.S. Department of Defense (DOD) released its annual report on Chinese military power on November 3, 2021, and the U.S.-China Economic and Security Review Commission released its 2021 report to Congress on November 17, 2021.² While both reports include analysis on the Chinese
private sector as a driver of innovation, neither provides any reference to Chinese PSCs and the role that they play in Chinese force projection.

This paper seeks to underscore the importance of Chinese PSCs as part of broader Chinese power projection and urges policymakers to recognize this issue. Given the potential problems posed by Chinese PSCs, this paper offers steps to mitigate the Chinese Communist Party’s (CCP) efforts to spread influence through such companies. The rest of the paper is organized into four areas:

1. Background on the use of private military and security companies for power projection;
2. History of Chinese reliance on private companies in the military and security sectors, in particular the use of Chinese PSCs;
3. Future areas of opportunity for China to leverage PSCs, including deployments in support of projects along the Belt and Road Initiative (BRI), in the maritime domain, and training foreign police forces; and
4. Policy options for the United States to address Chinese use of PSCs.

BACKGROUND ON PRIVATE MILITARY AND SECURITY FORCES
States have long employed privatized military and security forces. Examples of mercenary forces throughout history include foreign corps of soldiers under the Egyptian Pharaohs, legions of fortune in the ancient Greco-Persian wars, contract armies fighting for city-states during the Middle Ages, and the British employment of German “Hessians” during the American Revolutionary War. More recently, private military and security companies have operated on behalf of modern governments to achieve objectives abroad, including to provide security at diplomatic missions in war zones, fight alongside Russian and Syrian governments in Syria, and train military forces in Africa.

PMCs and PSCs offer an example of warfare in which uniformed soldiers are not readily identifiable, such as in counterinsurgency environments with irregular forces or when insurgents might not wear uniforms in an effort to blend into the local population. While many private companies provide non-combat contract support to governments, including logistics, administrative, and other support functions, this paper is concerned with private companies providing military and security support.

Previous studies have used the term “private military and security companies,” to refer to a single category of companies, but this brief draws a distinction between PMCs and PSCs. However, both have proven to be useful tools for states to achieve their objectives abroad for four main reasons:

1. Deniability to Domestic Audiences: As highlighted above, mercenaries have long provided a useful tool for circumnavigating sensitive domestic environments. Modern-day PMCs and PSCs play a valuable role in perception management and give governments a tool to exert some level of control over the public narrative surrounding their involvement in a conflict or another nation’s local security challenges. The United States, Russia, and China have all used PMCs and PSCs to understate or obscure their involvement in countries and conflict zones worldwide. This often allows a country such as Russia to undercount official data on the loss of military personnel. Similarly, while PMC or PSC support to U.S. military operations in countries such as Iraq and Syria may be accounted for in specific reports to Congress, these personnel are not often publicly cited when the DOD offers official troop numbers, enabling officials to understate the true nature of their involvement in a given conflict.

2. Deniability for Geopolitical Purposes: PMCs and PSCs allow governments to project power without committing official military forces. In some situations, this may include augmenting existing troops with PMC personnel. In other cases, this may include deployment of PMCs or PSCs without official government action taking place. This allows governments to improve local security in key areas, train foreign military forces, and lend the appearance of providing support to a specific government without using official means of support that could potentially spark international interest or outcry. For example, the Russian government uses PMCs such as the Wagner Group to project power in the Middle East and Africa, among other places, to support foreign government and non-government military forces without requiring Russia to deploy official military forces, providing an element of deniability to the Kremlin.

3. Circumnavigating Legal Constraints: Governments also use PMCs and PSCs to bypass legal constraints imposed by domestic and international laws.
PMCs and PSCs allow governments to avoid using military forces in conflict zones when such a deployment might break international law, such as the UN embargo on arms and support in Libya. To circumvent this law, Russia has deployed PMC advisers to Libya, including pilots flying air support operations.7 Similarly, PMCs and PSCs allow governments to circumvent domestic constraints. For example, domestic Chinese law strictly governs how the CCP is allowed to use the Chinese People’s Liberation Army (PLA) and paramilitary groups such as the People’s Armed Police (PAP).8 The use of PSCs gives the CCP more latitude to project force abroad, including using deadly force to protect strategic investments along the Belt and Road Initiative (BRI) and to exfiltrate Chinese citizens from conflict zones. Apart from its role in global peacekeeping operations, the PLA has not deployed beyond its borders since China’s conflict with Vietnam in 1979. As a result, Chinese PSCs give Beijing a tool to project force abroad while circumnavigating its own legal constrictions on the use of military force beyond its borders.9

4. Cost Savings: PMCs and PSCs also offer cost savings to governments seeking to project power without committing costly military, security, law enforcement, or diplomatic investments. For example, in war zones such as Iraq and Afghanistan, the U.S. government has used PMCs to outsource support ranging from personnel protection and site security to defense, diplomatic, and development operations.10 In these cases, using PMCs can be a cost-effective alternative to deploying U.S. military forces or hiring full-time employees to provide security.

THE USE OF CHINESE PRIVATE SECURITY COMPANIES
The following section provides background on Chinese PSCs, including the number and geographic scope of Chinese PSCs, and proposes several areas for further research.

PMCs and PSCs: Both PMCs and PSCs may provide services to both government and non-government clients, and both provide armed and non-armed services. One key difference, however, especially for Chinese PSCs, is that PMCs may be used to train military forces or to augment combat operations, while PSCs are used primarily for non-combat missions such as personnel protection and site security. However, by the nature of their work, both PMCs and PSCs may be engaged in violence as part of an armed conflict, though this may occur unintentionally.

The distinction between PMCs and PSCs is particularly important in the Chinese context. China exerts strict control over its security sector, dictating limits on the scope of military and security services its private companies can carry out domestically and abroad. This key difference separates Chinese PSCs from other PMCs—including Russian PMCs, which are known to have provided direct support to Russian and partner combat operations.11 By contrast, Chinese private companies have not yet engaged in direct support to partner force operations.12 While China explicitly forbids PMCs, China legalized PSCs in September 2009. Since then, Chinese PSCs have rapidly proliferated, increasingly obscuring the line between security and military services.13

Chinese PSCs have rapidly proliferated, increasingly obscuring the line between security and military services.

Number of Chinese PSCs: A 2018 study by the Mercator Institute for China Studies (MERICS) found more than 7,000 PSCs operating domestically within China.14 The same MERICS study estimated that Chinese PSCs have a much more modest presence abroad and referenced some 20 Chinese PSCs operating overseas, employing an estimated 3,200 staff of security professionals. Other studies have cited higher numbers, suggesting that somewhere between 30 and 40 Chinese PSCs operate overseas in locations from Central Asia to Africa.15 China’s extensive use of PSCs domestically suggests that many more such resources could be employed in an international context, aiding China in projecting power beyond its borders. It is also important to note the distinction between independently operated Chinese PSCs receiving funding or contracts from the Chinese government, Chinese PSCs under direct Chinese government control, and security contracting personnel who work directly for Chinese state-owned enterprises.

Hard data on the number, size, and geographic distribution of Chinese PSCs remains elusive. The only data sources include a handful of think tank reports, public statements from Chinese state media reports, and anecdotal open-source reporting. There are no wide-ranging studies
of Chinese PSCs, nor are there any publicly available comprehensive lists of Chinese PSCs. A future study providing a comprehensive analysis of all Chinese companies providing security services would be a useful tool for understanding the scope and scale of the Chinese PSC industry.

**Geographic Distribution:** Despite poor quantitative data on Chinese PSCs, qualitative data exist on their geographic distribution, including the 2018 MERICS study which identified over 40 countries where Chinese PSCs operate abroad. While Chinese PSC activity abroad may be significantly less than Western PMC activity, Chinese PSCs are poised to expand business overseas, especially given the investments of the BRI. Among the existing think tank studies on Chinese PSCs, several focus on Chinese PSC involvement with BRI projects, including a March 2020 study on Chinese PSCs in Africa by the China Africa Research Initiative (CARI) at the Johns Hopkins School of Advanced International Studies (SAIS) and an October 2020 study on Chinese PSCs in Central Asia by the Oxus Society for Central Asian Affairs. Further research on Chinese PSC deployment to key areas of investment along the BRI—including to secure projects in and around conflict zones—would provide an area for further study. Additional opportunities for research would also include social media channels that Chinese PSC companies use to promote their work; analysis of Chinese PSC recruitment and career portals; satellite imagery analysis of known Chinese PSC training areas overseas; and an analysis of media reporting, including CCP-issued statements or official policies on the use of PSCs.

**CHALLENGES AND OPPORTUNITIES FOR CHINESE PSCS**

China faces both challenges and opportunities for deploying its PSCs abroad. Domestic laws and international agreements make it difficult for China to use these companies, but China has many areas of opportunity to utilize PSCs, including along the BRI corridor, in the South China Sea, throughout its shipping industry globally, and in training police and security forces abroad.

**Legal Limitations:** While a handful of Chinese PSCs operate abroad, Chinese law prohibits them from using force, whereas such limitations are not imposed on PSCs domestically. These domestic PSCs may increasingly look abroad for additional work as PSCs remain an attractive market of employment for retirees from the PLA and the People’s Liberation Army Navy (PLAN). It is also possible that the CCP could change its policy to allow PSCs operating internationally to use force abroad. However, the Chinese government faces other international restrictions. Activities of PMCs and PSCs are governed by a non-binding 2008 agreement known as the “Montreux Document,” which was the result of an international process led by the Swiss government and the International Committee of the Red Cross. China is one of the original signatories to this document, which sets obligations and good practices for the use of PMCs in areas of active hostilities.

**Belt and Road Initiative (BRI):** While the Chinese government is not likely to bend to requests from PSCs to deploy abroad, it is more likely that the Chinese government will deploy PSCs as a result of increasing threats from international terrorism and anti-Chinese sentiments, particularly where its presence is growing around the world. International incidents affecting Chinese nationals, such as the 2012 hostage crisis in Sudan and the 2018 attack on the Chinese consulate in Karachi, underscore the potential danger to Chinese personnel and facilities. In an effort to respond to these threats, Chinese PSCs may play an increasingly vital role in protecting Chinese foreign nationals operating abroad.

One of the most obvious areas of opportunity for China to deploy PSCs to protect its foreign nationals is along its infrastructure investments along the BRI corridor. Scholars have written extensively on opportunities for PSCs along the BRI, including the National Bureau of Asian Research and previously mentioned studies by MERICS, the Oxus Society, and CARI. Chinese investments include locations in developing countries and conflict zones where PSCs may have particular relevance for defending Chinese investments and critical infrastructure against threats. Figure 1 depicts the countries in which Chinese PSCs are thought to operate as well as future plans for BRI investments.

**Maritime Domain:** The maritime domain is a key component of the BRI. Some scholarly work in the maritime domain has documented the use of Chinese PSCs abroad to provide armed guards to protect the shipping industry against pirates, to train for VIP travel, and to provide kidnapping and ransom response services, particularly around the Horn of Africa. As China continues to grow its BRI investments abroad, particularly around conflict areas such as in the Horn of Africa, its shipping industry will remain a vulnerability, which may lead the Chinese government to use PSCs to provide protection for Chinese nationals working in the maritime domain.
Furthermore, while they are not formal PSCs, China has also deputized maritime militias, sometimes referred to as “little blue men,” to protect fishing fleets and patrol territory China claims as its own, particularly in the South China Sea. This use of non-PLA/PLAN forces to project power and influence in the South China Sea is an area that could expand, including around future flash points such as Taiwan and Guam.

Training Police Forces: A final area of opportunity for Chinese PSCs abroad is training foreign military forces. A recent open-source media report shed light on the Chinese paramilitary forces known as the People’s Armed Police (PAP). This force has used violent tactics to quell protests in Xinjiang and Hong Kong and has even been deployed to Cuba to train police in riot control measures. The group currently operates a training academy in Kunming, where they have trained police from over 60 countries. A future study on China’s efforts to train foreign police forces could seek to identify Chinese PAP and PSC training locations using satellite imagery.

U.S. POLICY RESPONSE OPTIONS

The United States faces many challenges in competing with China, and Chinese PSCs are only one component of this competition. However, PMCs and PSCs remain a key component of projecting power and therefore must be recognized and addressed with a suite of U.S. policy responses. Left unaddressed, China will continue to assert its security influence abroad through non-conventional and non-overt means. Chinese obscuration of its own power projection has and will continue to inhibit the U.S. ability to understand China’s security impact on U.S. interests. Furthermore, proliferation of Chinese PSCs runs the risk of displacing the United States as the security partner of choice. Chinese PSCs widen the aperture of Chinese security-focused cooperation to a broader range of governments than the United States is able or willing to work with through the U.S. military, in part due to U.S. domestic political and legal constraints, including Leahy vetting.

This is not to advocate that the United States seeks to end the use of Chinese PMCs and PSCs—these organizations...
provide a useful alternative to military forces and, in many cases, are a necessary tool to project power. However, there are several policy options the United States may consider implementing to monitor and, if needed, mitigate the proliferation of Chinese PSCs abroad. These include increasing the understanding of Chinese PSCs; providing U.S. or allied alternatives to Chinese PSCs; and degrading trust and faith in Chinese PSCs.

Left unaddressed, China will continue to assert its security influence abroad through non-conventional and non-overt means.

**Increase Understanding:** The United States must increase its understanding of Chinese PSCs. This may include prioritizing intelligence collection on Chinese PSCs and monitoring Chinese PSCs both in China and abroad. PSC networks, especially domestic companies, could be used to facilitate military operations and intelligence collection activities and to project Chinese influence and power into countries where the Chinese government may not operate a formal presence. While only an estimated 20 to 40 Chinese PSCs operate abroad, the existence of 7,000 PSCs that operate domestically suggests ample opportunity for the future growth of internationally active Chinese PSCs. It is critical for the United States to increase its understanding of these private companies, document their use, track their presence, and be clear eyed about the potential for China to activate and leverage these networks.

**Provide Alternatives:** The United States and its allies should seek opportunities to provide alternative options for foreign countries seeking private security services. For the United States, this might take the form of providing alternative mechanisms for training foreign forces via DOD security cooperation and training programs, Department of State programs (e.g., Anti-Terrorism Assistance funding and training), or other components of U.S. government agencies, such as the Drug Enforcement Administration (DEA).

The United States has in the past used its own private military and security companies to provide these services. When it is unpalatable or unrealistic for the U.S. government or U.S.-based PMCs to conduct these training operations, allied militaries or private companies from allied and partner nations might be able to offer options that provide suitable alternatives to Chinese PSCs. Providing U.S. or allied alternatives to Chinese PSCs may not be a feasible alternative in all scenarios, especially for BRI projects, which may seek exclusive contracts with Chinese PSCs. However, providing U.S. or allied alternatives to Chinese PSCs may be feasible for filling the gaps in other security needs of foreign governments, including training of foreign police forces; maritime security, including anti-piracy; personnel protection; and site security.

**Degrad Trust:** If increased monitoring reveals malign activity by Chinese PSCs, the United States should consider degrading trust or faith in Chinese PSCs. This can be done by communicating and exposing the predatory nature of the Chinese system, including human rights abuses and predatory lending. This should include direct U.S. diplomatic engagement with countries hosting Chinese PSCs. In areas where Chinese PSCs have run afoul of local governments or committed human rights abuses, degrading trust might also include a name and shame campaign coordinated with allies and partners against Chinese PSCs.

**CONCLUSION AND AREAS FOR FURTHER STUDY**

Hard data on the scope and scale of the Chinese private security industry remains elusive. What is clear, however, is that the demand for Chinese PSCs, as well as their potential supply, is positioned to expand, especially along the BRI, in the maritime domain, and in training foreign police and security forces in developing countries.

As mentioned above, there are several key areas for future study. First would be a comprehensive data set of all Chinese PSCs operating within China and abroad. Second would be a comprehensive analysis of the geographic locations where PSCs have deployed overseas and a series of detailed case studies of locations along the BRI where Chinese PSCs are providing services to Chinese private companies, local companies, or foreign governments. Third would be detailed analysis of satellite imagery of known PSC training sites abroad, including to identify types of forces trained, the scope and scale of PSC operations, and common features of training sites to help identify other related facilities.

If the United States and its allies and partners seek to deter Chinese PSCs from further expanding Chinese influence in Central Asia, Africa, and increasingly in other parts of the world, they must take concrete steps, including pursuing
a better understanding of, providing alternatives to, and degrading trust in Chinese PSCs.

Max Markusen is a non-resident adjunct fellow with the Transnational Threats Project at the Center for Strategic and International Studies in Washington, D.C.

The author would like to thank the CSIS staff for their comments on this paper and for shepherding this manuscript through the publications process. He would also like to thank former colleagues at the U.S. Department of Defense for their tireless work and many sacrifices.

This brief is made possible by general support to CSIS. No direct sponsorship contributed to this brief.

CSIS BRIEFS are produced by the Center for Strategic and International Studies (CSIS), a private, tax-exempt institution focusing on international public policy issues. Its research is nonpartisan and nonproprietary. CSIS does not take specific policy positions. Accordingly, all views, positions, and conclusions expressed in this publication should be understood to be solely those of the author(s). © 2022 by the Center for Strategic and International Studies. All rights reserved.

Cover Photo: STR/AFP/Getty Images
ENDNOTES


5 Dunigan, “Considerations for the Use of Private Security Contractors.”


9 Ibid.


11 See, for example, Jones et al., Russia’s Corporate Soldiers; and Jones et al., “Moscow’s Mercenary Wars.”

12 Legarda and Nouwens, Guardians of the Belt and Road.

13 Ibid.

14 Ibid.


16 Legarda and Nouwens, Guardians of the Belt and Road.


21 Ibid.

