BY NIVA YAU AND
DIRK VAN DER KLEY

Following flawed parliamentary elections on October 4, thousands of Kyrgyz citizens took to the streets across the country to contest the elections and advocate for their own candidates. Rapidly, the government lost control, with protesters storming parliament, forcing local officials to resign and individuals appointing themselves to government positions. Taking advantage of the anarchical situation, groups began seizing local economic assets. A crowd of 300 broke into the Ishtamberdi gold mine, operated by Chinese company Full Gold Mining, expelling the Chinese workers. Locals also seized a mine in Kichi-Chaarat, owned by China National Gold Group Corp.

As Chinese companies and citizens begin to work and operate in less stable parts of the world, the government of China has felt increasingly compelled to protect them. In Central Asia, as elsewhere, Beijing has relied on four strategies to secure overseas projects: (1) Ensuring that
local security services are directly involved in protecting key Chinese projects; (2) encouraging companies active in unstable environments to take greater responsibility in training and protecting their workers; (3) pushing for Chinese private security companies (PSCs) to play a more active role internationally; and (4) in a handful of cases, using Chinese security abroad to secure China’s interests, including a small People’s Armed Police (PAP) unit operating in Tajikistan’s Gorno-Badakhshan Autonomous Oblast (GBAO).ii

In this paper, we explore the third strategy in China’s toolkit by examining the activities of Chinese PSCs in Central Asia, a region of vital importance to the success of the Belt and Road Initiative. According to findings by the authors of this special Oxus Society report, there are a total of six Chinese PSCs which claim to be active in the region - though their activities remain opaque. From the fragmentary source materials obtained by the authors, it is clear that legal and institutional norms - the “local rules” according to Alexander Cooley - place constraints on PSCs, restricting their capacity to operate. At present, Chinese PSCs are most active in Kyrgyzstan, the country in the region with the lowest legal barriers to market entry.

Each of the six companies studied claim to offer services tailored to the specific dynamics Chinese companies face in a given environment. For example, in Kyrgyzstan, PSCs are primarily charged with protecting Chinese nationals from hostile populations. According to previous reporting by Oxus Society, over 56 anti-China protests have taken place in that country since January 2018, including attacks on Han workers and Chinese infrastructure. In Kazakhstan, where legal restrictions remain in place, PSCs primarily offer services relating to logistics.

**Chinese Private Security Companies Go Global**

China’s ascent has been well-noted around the world, with growing investments spurring greater urgency for China to secure its citizens as well as its investments. Filling the gap are PSCs. According to the Montreux Document, private military security companies are “private business entities that provide military and/or security services, irrespective of how they describe themselves. Military and security services include, in particular, armed guarding and protection of persons and objects, such as convoys, buildings and other places; maintenance and operation of weapons systems; prisoner detention; and advice to or training of local forces and security personnel.”iii

According to prior open source research by one of this paper’s authors, there are currently 32 Chinese PSCs active in every corner of the globe from the Middle East, Central and South Asia, to North America. Earlier estimates had put the number between 30 and 40.iv

China’s strategists have long been thinking about how to secure their vital overseas interests. One strategy to this end has been a drive to integrate security, pushing for investors, traders, and contractors to work with governments in local jurisdictions, Chinese PSCs, and even national
security services to promote their interests. For example, the Chinese Embassy in Uzbekistan established a security coordination mechanism in March 2017, expanding the liaison office to protect the rapidly growing population of Chinese nationals in the country. Embassy staff have been active in other ways too, with Chinese ambassadors in Central Asia frequently conducting security inspections on projects of national interest - a trend that had not existed in previous years.

China’s embassy staff have also been insisting that Central Asian governments play a greater role in protecting Chinese security interests. Three months prior to President Xi Jinping’s summer 2019 visit to Bishkek, for example, Zhao Kezhi, Chinese Minister of Public Security, met with his Kyrgyz counterpart. At the meeting, Zhao stressed that Kyrgyzstan must “effectively protect the security of China’s projects and personnel in the country.” Similarly, in Kazakhstan Askar Mamin, Kazakh Prime Minister, assured Zhang Xiao, Chinese Ambassador to Kazakhstan, at a meeting in February 2020, that the Kazakh government will ensure a safe and stable environment for Chinese workers and investors alike.

China’s government has also been pushing for Chinese PSCs to go abroad for some time. In 2016, Meng Jianzhu, then Secretary of the Central Political and Legal Affairs Commission of the Communist Party of China (the most senior public security post in China), said that “qualified security companies should actively follow the ever-increasing demand for the protection of overseas interests, and accelerate the development of overseas security services.” The Chinese government later codified the increased efforts to coordinate overseas security in its 2018 Security Management Guideline for Overseas Chinese-Funded Companies, Institutions and Personnel, which offers 170-pages of precise security measures Chinese companies should undertake abroad. There are three main takeaways from this document.

First, overseas Chinese PSCs are now a designated part of a newly established Belt and Road National Security Intelligence System. On the basis of a “government-led, multi-participant” method, the new intelligence system (according to the management guidelines) plans to make intelligence collection, particularly overseas, more transparent and accessible across ministries. Overseas Chinese PSCs are expected to join Chinese embassies in reporting and engaging in intelligence gathering under this new system. Funded by the Chinese government, an increasing number of academic studies on national intelligence systems in foreign countries have emerged in recent years. Few of these studies were ever publicly commissioned in the past.

Second, the Management Guidelines subject overseas Chinese PSCs to the 2009 Regulation on the Administration of Security and Guarding Services for the first time. According to the Regulation, armed Chinese private security companies are required to be at least 51 percent state-owned, thus prohibiting overseas Chinese PSCs...
from being a majority private enterprise.

Finally, the 2018 Guidelines have also laid out in detail the precise preventive measures Chinese companies should undertake overseas. These include ensuring clear exit routes, conducting reconnaissance around project sites, and maintaining good relations with the local government, among others. In addition, the 2018 Guidelines offer contingencies for a wide range of threat scenarios.

The 2019 Security Training Guideline for Overseas Chinese-Funded Companies’ Personnel impose strict security training requirements for overseas Chinese personnel employed by overseas Chinese companies. Employees of Chinese firms being sent abroad must pass examinations after completing a 40-hour course on security management. Rather than the Ministry of Public Security, the training courses are provided by some 30 to 40 Chinese private security companies with active operations and specific in-country/region expertise.

Growing attempts to coordinate between foreign governments, PSCs and Chinese security services is also clear from the Ministry of Public Security-led Lianyungang Forum, which started in 2015. The forum focuses on transnational security, including sessions on transnational oil and gas pipeline security, which have been held as part of the Lianyungang Forum since 2017. Leaders from Chinese PSCs active in Central Asia, such as China Shield Consulting Service, attend the forum alongside security leaders from dozens of Eurasian nations.

While Chinese businesses abroad are encouraged to hire overseas Chinese security companies, Belt and Road cooperation agreements also include provisions for the host countries to take up security responsibility for expensive Chinese investments in their countries. Pakistan, for example, has set up a Special Security Division for the China-Pakistan Economic Corridor (CPEC) in 2016.

Legal Environment and Reactions to Chinese PSCs in Central Asia

While the Chinese government has strongly encouraged its PSCs to operate overseas, they are nevertheless subject to local laws and the whims of public sentiment. Legally, different restrictions apply to foreign PSCs in each of the Central Asian republics. In Kazakhstan, foreign nationals and foreign companies are prohibited from participating in private security activities. However, Kazakh security companies are permitted to provide training services to foreign companies. Nevertheless, foreign companies often try to work around these restrictions. Three Chinese PSCs – Frontier Services Group (FSG), China Shield Consulting Service and Xinjiang Shamo Tewei – continue to offer services there, for example. A recent FSG advertisement for a logistics manager in Kazakhstan read that they would be responsible for the “development of the Sino-Kazakh channel.” This gives the impression that FSG is offering a service to Chinese companies to smooth logistics at key checkpoints. An important
caveat is that these efforts, while aimed at risk minimisation, are not strictly security activities.\textsuperscript{viii}

While there is clearly leeway, the arbitrary application of laws in the region nevertheless presents a significant challenge for PSCs, leading to a degree of pushback. In 2019, \textit{Wall Street Journal} reported that Chinese businesses and the Chinese government itself have been pressuring Kazakhstan to allow PSCs to operate in the country.\textsuperscript{xix} However, there is little indication that Kazakhstan intends to change its rules anytime soon.

In Kyrgyzstan, by contrast, PSCs are permitted to operate on the condition that they obtain the requisite permits. As such, Kyrgyzstan has seen far more Chinese PSC activity in the region than anywhere else. Kyrgyzstan also has a robust domestic private security sector due to widespread mistrust of the local police force. These companies handle matters from stolen property all the way up to securing large-scale infrastructure. At this stage it seems as though Chinese PSCs have few (if any) major operations in Tajikistan.

But legal restrictions are only a part of the picture. Another consideration for foreign PSCs is the relative strength of national PSCs across Central Asia. In the more authoritarian states, PSCs tend to have close links to their respective interior ministries. Foreign firms therefore often prefer to partner with local firms so they can overcome administrative burdens. Chinese PSCs offer their own advantages however, namely with regard to their connections to key power-brokers and decision-makers within Chinese companies and state-owned enterprises (SOEs). On certain occasions therefore, there are mutually beneficial reasons for local and Chinese private security companies to work together.

Broadly speaking, community concerns in Central Asia around Chinese companies have been a driver for more active Chinese PSC involvement. According to recently published datasets by the Oxus Society for Central Asian Affairs, anti-China protests are common, with 97 incidents in the region since January 2018.\textsuperscript{xx} While Chinese workers have also been attacked by dissatisfied locals in Kazakhstan and Tajikistan, it is in Kyrgyzstan that Chinese interests have faced the most unrest, including the 2016 bombing of the Chinese Embassy in Bishkek. In the face of unrest, Chinese companies increasingly recognise the need to build relations with local communities and some have begun to localise their workforce as a result.\textsuperscript{xii}

\textbf{The Activities of Chinese PSCs in Central Asia}

At least six Chinese PSCs claim to be operating in Central Asia. These companies tend to describe their activities in broad terms with little information regarding specific operations. Most of them tend to promote their work as being connected to the BRI. Zhongjun Junhong, which has its Central Asian base in Kyrgyzstan, is easily the most successful Chinese PSC in the region, while its competitors generally run much smaller operations.
The six PSCs identified below work mostly for Chinese nationals and Chinese-financed operations in the region. They maintain close relations with their respective Chinese embassies and host frequent security briefings with Chinese business groups to demonstrate some of the services they have to offer. Much like Chinese PSCs in other parts of the world, these companies almost exclusively employ ex-Chinese security personnel with a PLA or PAP background. In some cases, former PLA personnel are themselves founders of Chinese private security companies.

In Central Asia, Chinese PSCs tend to work with local PSCs, largely due to reasons outlined above. In general, local guards are recruited and re-trained by Chinese security personnel before they are deployed to a Chinese project site. In Kyrgyzstan, local bodyguards working for Chinese businessmen have usually undergone intensive Chinese language training provided by the employing Chinese PSC. In some cases, Chinese security personnel join local teams at high-risk Chinese project sites. If they are not stationed on site, the Chinese security personnel regularly review and inspect the sites in question. In rare cases globally, non-Chinese security personnel have been hired as consultants. Zhongjun Junhong reported to have hired 13 foreign consultants in 2018. Some PSCs offer in-depth, regular country-level risk evaluations. For example, Zhongjun Junhong offers weekly security and political news reports to Chinese businesses at a subscription. Some Chinese private security companies in Central Asia also provide a general country-level risk report to Chinese business newcomers to the region. These country-level risk reports evaluate domestic political stability, economic risks, military, culture, societal threats, and religious trends. In some cases, experts are dispatched on-site to find reliable sources of information.

Overseas Chinese security personnel provide services ranging from the internal security of project sites, personnel protection, armed escort, mine clearance, and emergency rescue. Some Chinese bodyguards are required to be multi-skilled, owning licences such as a pilot and heavy vehicle licence. Larger-scale Chinese private security companies, who are able to licence the new overseas security permits, offer pre-departure security training to Chinese business employees before deployment to Central Asia. Otherwise, Chinese security personnel will generally pay an overseas visit to retrain Chinese business personnel on the ground. Apart from the specific cultural and religious issues in the region, these trainings include personal safety skills such as Improvised Explosive Device (IED) recognition. Chinese PSCs in Central Asia design a specific security management system during initial visits to the host country. The management system tends to be technology centric, making use of surveillance cameras and tracking devices. In general, a portable safety kit is distributed to their Chinese clients, including some medicine and food. Some Chinese PSCs also run a safe-house in the host country for emergency situations.
The section below gives background information on each of the six Chinese PSCs active across Central Asia.

**Zhongjun Junhong Group (中军军弘集团)**

Zhongjun Junhong has the largest security footprint of all Chinese PSCs in the region. It was reformed in 2010 from the Beijing City Security Services Company, a company set up by the former security branch within the People's Armed Police (PAP) that protected key SOEs in China. Led by Wu Guohua, a former PLA colonel, the company branched out into Kyrgyzstan in late 2015. The company is well-established in the domestic Chinese private security market and connected to law enforcement officials, providing additional security support to local civilian police and the prison system.

The Zhongjun Junhong Group also has a licence to carry weapons in Kyrgyzstan despite the fact that China’s Ministry of Public Security does not permit the use of firearms for overseas companies, except in a few select cases such as maritime escort. Zhongjun Junhong has overcome this by establishing a local joint-venture, insisting that only locals carry weapons.

Publicly available evidence suggests that Zhongjun Junhong are involved in some capacity in the protection of numerous major Chinese projects in Kyrgyzstan. A long article in *China Security* (a magazine published by the Ministry of State Security) states that the company has secured over 20 Chinese clients in Kyrgyzstan, including China Road and Bridge, China Railway No.5 Engineering Group, Sinohydro Bureau 16, Huawei Technologies, Guangdong Precious Metal Refinery, and Sanmenxia Luqiao Construction Group. It has also won contracts to protect China’s embassy in Bishkek.

A 2017 publication in the Chinese state-owned *New Silk Road Observer* stated that the PSC also provides guard services to three local schools in Kyrgyzstan as well as a car dealership. The principal of one of the schools, Antonovskaya Military Education Gymnasium Complex (a middle school west of Bishkek), said to the article’s author that “The security company has equipped us with 6 security personnel and provided us with surveillance and videos. They are very responsible in regard to the safety of our school and earned our trust.”

Some of the company’s claims need to be taken with a grain of salt however. For example, Zhongjun Junhong reached a deal with China Railway to safeguard its construction sites along the China-Kyrgyzstan-Uzbekistan railway in November 2018. This is a project that has been proposed for over 25 years and remains unlikely to be built within the next decade. However, this demonstrates that Zhongjun Junhong is actively finding and securing Chinese clients in Kyrgyzstan.
<table>
<thead>
<tr>
<th>PRC firm</th>
<th>Main project</th>
<th>Any evidence of PRC PSC</th>
</tr>
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<tbody>
<tr>
<td>Zijin.</td>
<td>Owns 60 percent of Altynken, which has extraction rights for the Taldy Bulak deposit.</td>
<td>A photo from an article published in <em>China Security</em> magazine about <em>Zhongjun Junhong</em> shows two security guards standing out in front of the Altynken premises. The characters of the company’s overseas unit (海外队) are visible on the uniforms of the guards. There is no evidence of weapons in the photos. The same article states that Zhongjun Junhong has worked for Zijin in Kyrgyzstan.</td>
</tr>
<tr>
<td>China National Gold Corporation.</td>
<td>Kuru-Tegerek gold mine.</td>
<td>It is unclear whether the project’s protection includes PSCs. In 2017, CNGC stated that it increased security measures by employing armed guards to inspect vehicles entering the complex and increased Chinese security guard patrols of the complex. It is unclear if the guards were employed by a Chinese PSC.</td>
</tr>
<tr>
<td>Shaanxi Coal and Chemical Industry.</td>
<td>Kara-balta oil refinery.</td>
<td>Project protection methods are unclear.</td>
</tr>
<tr>
<td>Xinjiang Guoji Shiye.</td>
<td>Tokmok oil refinery.</td>
<td>Project protection methods are unclear.</td>
</tr>
<tr>
<td>Tebian Electric Apparatus (TBEA).</td>
<td>Built most of the Eximbank-funded electrical power projects in Kyrgyzstan.</td>
<td>Project protection methods are unclear.</td>
</tr>
<tr>
<td>Central Asia Gas Pipeline Company (China National Petroleum Corporation).</td>
<td>Line D Gas Pipeline.</td>
<td>A 2017 <em>China Security</em> article stated the PSC has agreed to carry out security and technology services for the Central Asia Gas Pipeline Company which is owned by the China National Petroleum Corporation. It is unclear whether this refers only to the Kyrgyz section of the Line D gas pipeline (currently delayed) that will traverse Kyrgyzstan (as well as Tajikistan and Uzbekistan) if ever completed. The Pipeline Company also operates in other Central Asian states.</td>
</tr>
<tr>
<td>Jufeng Industry Group Company Limited.</td>
<td>The company owns the rights to multiple gold deposits in Kyrgyzstan. It has undertaken some early exploratory work. A US firm purchased 49 per cent of the Hong Kong subsidiary in 2019.</td>
<td>A 2017 publication in the Chinese state-owned <em>New Silk Road Observer</em> stated that Zhongjun Junhong had been contracted to protect Jufeng’s operations in Kyrgyzstan.</td>
</tr>
</tbody>
</table>
China Security Technology Group (中国安保技术集团)

Established in 2016, China Security Technology Group (CSTG) was founded by Tan Feng, an experienced management consultant for Chinese projects overseas. Led by a group of Chinese security professionals with international experience, CSTG is one of three Chinese private security companies with membership at the International Code of Conduct Association (ICoCA), an industry-led organization overseeing the responsible provision of security services. CSTG is the security supplier for China Oceanwide Online, an insurance platform with plans in Uzbekistan since 2018. In 2017, John Jiang, who manages the company’s security operations, told Reuters that “In eight years’ time, we want to run a business that can cover 50-60 countries, which fits with the One Belt One Road coverage.” The company has a wide range of in-house security specialists in different areas, such as de-mining.

Frontier Services Group (先丰服务集团)

Listed in Hong Kong, Frontier Services Group (FSG) is a joint venture by Blackwater’s founder Erik Prince and China’s CITIC Group. The company provides secured logistics, and it has purchased foreign airlines Phoenix Aviation (Kenya) and Maleth-Aero (Malta) and established a team of security professionals based in Dubai (UAE) and Vientiane (Laos). As part of their expansion plan, Frontier Services Group planned a security base in Xinjiang which will service nearby countries. From early 2018, the company held talks with the Economic Counselor at the Chinese Embassy in Kazakhstan. In 2020, Frontier Services Group’s office in Kazakhstan placed an ad to recruit logistics experts. The company had said that their expansion plan will “help capture Chinese clients as they go out in support of the Belt and Road Initiative.”

China Shield Consulting Service (中安华盾咨询服务有限公司)

China Shield Consulting Service was founded in 2009 by Luo Ying, a former police chief who later entered the private security sector. The company employs a vast group of regional experts, some of whom were former employees of Chinese embassies abroad such as Xu Tao who worked in China’s Embassy in Uzbekistan. The company specialises in security risk consulting and intelligence gathering. In summer 2018, the company concluded a cooperation agreement with AO “СОП Кузет,” a leading private security pro-
vider that was formerly part of the Ministry of International Affairs in Kazakhstan, to jointly provide services for Chinese projects in the country. China Shield Consulting Service maintains an office, staffed by their own Chinese personnel, in Kazakhstan.

**Xinjiang Shamo Tewei (新疆沙漠特卫)**

Han Hao, a PLA veteran and Chinese Communist Party member, established Xinjiang Shamo Tewei in 2013. Based out of Urumqi, the company is the leading private security provider in Xinjiang, with 6 branches all over the province. Xinjiang Shamo Tewei, directly translates into “Xinjiang Desert Bodyguards,” is a bodyguard specialist company employing over 200 security personnel. The company provides bodyguards to Chinese professionals working in Central Asia. The company claims it provided 17 bodyguards in 2013 to protect a group of Chinese engineers in Kazakhstan for 3 years.

**China Security & Protection Group (北京中安保实业有限公司)**

Established in 1994, China Security & Protection Group is based in Beijing and it began its overseas operations in 2003. Led by Liu Wei, a management professional, the company is amongst the first Chinese private security companies to set up branches overseas. As early as 2006, the company was already providing security services in Laos and Cambodia. The company established a Kyrgyzstan branch in 2013. It is unclear what activities (if any) they undertake in the region. By 2020, China Security & Protection Group claims to employ more than 60,000 security guards.

**Conclusion**

The recent takeover of Chinese mines in Kyrgyzstan show the risks that come with doing business in Central Asia. So far no Chinese citizens appear to be hurt during Kyrgyzstan’s political turmoil. Herein lies the challenge, PSCs will have trouble protecting Chinese projects from angry mobs (although they may be able to just protect Chinese workers). This is why Beijing wants local security authorities to play a greater role.

Moreover, PSCs are already butting up against legal limits. If they spread too fast in Central Asia, they also threaten to create a backlash. Kazakhs protested vociferously against agricultural land being
leased to Chinese farmers. One would imagine that Chinese PSCs would elicit even further negative responses. Negativity toward China appears to be increasing. There is a clear dichotomy between what local communities are willing to accept and what the Chinese leadership wants.
Endnotes

i “Zakhvacheny zolotorudnyye mestorozhdeniya Kyrgyzstana, gde byli inosstrannye investory (spisok)” [Gold Deposits of Kyrgyzstan Were Seized Where There Were Foreign Investors (list)], Kaktus Media, 6 October 2020, https://kaktus.media/doc/422768_zakhvacheny_zolotorudy_mestorozhdeniya_kyrgyzstana_gde_byli_inosstrannyye_investory_spisok.html


vii “Zhao kezhi huijiexi jierjisitu zhaqian zhongguo minzu chao caoan yu mudan” [Zhao Kezhi Meets with Heads of Law Enforcement and Security Departments of Kyrgyzstan], Xinhua, 16 May 2019, http://www.xinhuanet.com/politics/2019-05/16/c_1124501829.htm


xi See 2018 Guideline p.165, under 8.5 Chinese security service providers.


See 2019 Guideline p.8, under 7.1 Trainer’s Qualifications.

“Transcript of Vice Foreign Minister Le Yucheng’s Exclusive Interview with the Financial Times” 26 September 2019, http://usa.chinadaily.com.cn/a/201809/26/WSSbab2f67a310c4cc775e8304.html


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Job advertisements for security officer positions describe military or police background as a prerequisite. Chinese PSCs also advertise their training to Chinese clients as led by security officers with military or police background.

Zhongjun Junhong Group is founded and led by Wu Guohua, a former PLA colonel.

Author’s observations.

Author’s observations.

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