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# Chinese Private Security Companies in Latin America

The expanding presence of China-based companies in Latin America, and the security problems they have experienced there, creates an inherent demand for Chinese private security companies.

By **Leland Lazarus** and **R. Evan Ellis** July 17, 2023



Security guarding Chinese President Xi
Jinping run alongside the car transporting
him in Quito, Ecuador, Friday, Nov. 18, 2016. Xi
Jinping is in Ecuador for two days before
heading to Peru for the APEC summit.
Credit: AP Photo/Dolores Ochoa

The enormous expansion of global engagement by China and its companies over the past two decades has generated a corresponding need to protect Chinese operations and personnel in the dangerous environments where they sometimes operate. Awareness of such needs for protection among the Chinese public was most obviously expressed in the "Wolf Warrior" movies, in which Chinese citizens working abroad are threatened by foreign mercenaries and must be rescued.

The need to evacuate Chinese citizens <u>from</u>
<u>Libya in 2011</u> and <u>Yemen in 2015</u> due to political turmoil in those countries, as well as recent attacks against Chinese nationals in <u>Pakistan</u>, highlighted the imperative for Beijing to protect its people, as well as its <u>growing military</u> and other capabilities for doing so. It also illustrated how China's desire to project itself as respectful of the sovereignty of other nations – reflected in its <u>2015 Military Strategy</u> and <u>2019 Defense</u>

<u>Strategy</u> White Papers – <u>restricts its options for official military action</u>.

China-based companies have responded to these risks to their overseas operations through a combination of working with local authorities and contracting private security companies (PSCs). In recent years, private security companies have begun to form in China to support operations both at home and abroad. The proliferation of Chinese PSCs has arguably been based on the presumption that the cultural familiarity, common language, and relationships with fellow Chinese will give such companies an inside track with Chinese companies in need of protection.

By 2022, there were an estimated <u>7,000 Chinese</u> <u>PSCs</u>, with <u>20-40 such PSCs</u> operating abroad in as many as <u>40 countries</u>.

The scope of Chinese private security companies is broad, encompassing everything from firms selling principally <u>electronic surveillance</u> systems, to consulting, to providing armed personnel on the ground to physically defend Chinese persons and assets. In general, Chinese deployment of private security companies has been most extensive in Asia, and to a lesser extent in Africa, where their familiarity with local cultural practices is strongest, and local governments are relatively malleable. In more developed countries and in Latin America and the Caribbean, PSCs have been more limited by their lack of experience, in competition with established and well-resourced companies with knowledge of working within (or around) local laws.

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Despite such limitations, the expanding presence of China-based companies in Latin America, and the security problems they have experienced there creates an inherent demand for Chinese private security companies. Since 2000, according to the respected Latin America-China academic network, Chinese companies have invested over \$184 billion in Latin America and the Caribbean across 600 projects.

China-based companies operating in the petroleum, mining, construction, and other sectors have been continually beset by security problems. Protesters took control of a Chineseoperated oilfield in January 2007 in Tarapoa, Ecuador. Attacks against the Emerald Energy oilfield in Colombia in 2011 resulted in the taking of Chinese hostages. In Peru, there has been regular violence linked to protests and criminal activity in Chinese-operated mines Shougang Hierro, Rio Blanco, and Las Bambas. Attacks forced Sinohydro to suspend construction on the Patuca III dam in Honduras; there have been numerous strikes against Chinese <u>hydroelectric</u> and <u>road construction</u> projects in Bolivia.

Most recently, violence this year in Colombia forced China-based Zijin to shut down operations in the Burtica gold mine and China-owned Emerald Energy to suspend its oil operations.

With the current deterioration of economic conditions, <u>expanding violence</u> and <u>social protest</u> across Latin America, on top of China's expanding footprint there in the post-COVID-19 environment, security challenges to Chinabased operations in the region will <u>likely</u> continue to increase in the near future.

Official Chinese policy papers such as the 2016 China-Latin America Policy White Paper, the China-CELAC 2022-2024 plan, and the February 2023 white paper on China's "Global Security Initiative" all acknowledge Beijing's interest in multifaceted security cooperation with Latin America, but are notably silent on the issue of private security companies.

Although China-based private security companies have kept a low profile in Latin America and the Caribbean, a Chinese-language internet search on websites such as Baidu reveals multiple Chinese private security companies operating or seeking opportunities in the region. In Peru, China Security Technology Group has a memorandum of cooperation with Grand Tai Peru, a company that provides security in the mining sector. Beijing Dujie Security Technology Company has an office in Argentina, and China Overseas Security Group claims to have conducted field research in search of opportunities in the country. Chinese security companies also operate in Uruguay and Venezuela, connected to the China-based conglomerate Tie Shen Bao Biao.

In Central America, Zhong Bao Hua An Security Company claims to have "<u>strategic cooperation businesses</u>" in Panama, El Salvador, and Costa Rica. Tie Shen Bao Biao advertises <u>personal protection services in Panama</u>. In Mexico, the "Mexico-Chinese Security Council," formed in 2012 by former Chinese <u>government official Feng Chengkang</u>, has the mission of <u>protecting Chinese business personnel based in Mexico from gang violence</u>.

Other Chinese-language materials on Baidu hint at a network of Chinese security activities, with possible links to the government, that may go much deeper. In addition to 14 Chinese "overseas police stations" operating in eight LAC countries, China advertises "Chinese Aid Centers" operating in the region with missions that include "urgent lifesaving, integration training, legal assistance, and helping the poor." A Chinese personnel recruiting website advertises security-related job opportunities in Latin America for projects in Guyana, Suriname, French Guiana, Venezuela, Colombia, Ecuador, Peru, Bolivia, Paraguay, Brazil, Chile, Uruguay, and Argentina.

China-based companies have the right to contract Chinese nationals and entities, where consistent with local laws, to help protect their expanding operations in Latin America and the Caribbean. Still, the lack of knowledge of this phenomenon in the region, fueled by Beijing's efforts to keep a low profile and confine their interactions to Chinese-language media, demands more attention as a matter of public policy. Transparency is needed to ensure that such companies are properly registered and regulated, and that the sovereign interests of the host countries and the safety of their citizens are respected.

While China has published "Security Management Guidelines for Overseas Chinese Funded Companies, Institutions and Personnel," China-based companies are notoriously lax in following government guidelines, and the Chinese state has little interest in enforcing them in the absence of compelling political or other self-interested motivations for doing so.

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As Chinese interests in the region continue to grow, more Chinese PSCs may continue to proliferate throughout LAC. Authoritarian regimes like Venezuela, Cuba, and Nicaragua would be most likely to host Chinese PSCs, along with countries with large Chinese diaspora populations, such as Peru and Panama. As has occurred in Africa and elsewhere, an increasing presence by armed Chinese nationals in the region prioritizing the interests of their operations and compatriots, and inexperienced in the nuances of social protests and criminal activity in Latin America, could easily lead to the death or injury of locals.

In addition, if more Chinese diaspora communities in LAC become victims of gang violence, extortion from local and Chinese criminal groups, or anti-Chinese hate crimes, they may push for Chinese PSCs to protect them. Jamaica is a case in point: In 2013, the Jamaican police increased protection for the local Chinese community after the Chinese government raised concerns to Jamaica about robberies and extortion occurring in the Chinese community.

Finally, China allegedly has 14 <u>overseas police</u> <u>outposts</u> in eight LAC countries, part of China's global network of more than 100 police stations around the world. Several of them operate without local government approval. Since some of these Chinese PSCs already closely collaborate with Chinese police, the Chinese authorities could potentially task PSCs to capture fugitives as part of their global Fox Hunt and Sky Net anti-crime initiatives.

It is also important to note that many employees of China-based security companies have backgrounds in the People's Liberation Army (PLA) or other security services. Surveillance system oriented companies are inherently tied to the proliferation of Chinese digital architectures in the region, with data accessible by the Chinese companies that deploy them, and

## <u>by the Chinese state</u> <u>via China's 2017 National Intelligence Law</u>.

In an era in which Beijing has shown its increasing willingness to explicitly target the United States through intelligence and military operations in the Western Hemisphere – such as its "spy balloons," upgraded electronic intelligence facility in Cuba, and negotiation of a "training base" there – the U.S. and the region must be sensitive to the opportunities that the proliferation of Chinese PSCs across the region provide for activities by Chinese intelligence operators and PLA special forces in the region.

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