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Research Report

The Footprint of Chinese Private Security Companies in Africa

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POLICY POINTS

Adoption of international

standards and clear

guidelines that safeguard local communities.

Interaction among

local African PSCs and

multinational PSCs that act as mentors for the Chinese security sector.

Promotion of best practices

already tested by local PSCs.

A new Chinese law regulating

the role and requirements for Chinese PSCs that aim to operate overseas.

What is the Role for the Chinese Private Security Sector in Africa?

Alessandro Arduino

CHINA'S ENGAGEMENT WITH THE AFRICAN CONTINENT HAS BEEN SCRUTINIZED primarily through a state-to-state economic and military lens. Following the initiation of the Belt & Road Initiative (BRI), several African countries have become increasingly important for China's economic development. However, the China-Africa economic and security dimension requires a more complex perspective that takes into account a more comprehensive set of risks, ranging from criminal conduct to political violence, that China's state-owned enterprises (SOEs) and private companies are likely to encounter throughout the African continent.

From Cape Town to Cairo, Beijing has already been confronted by growing constraints on its decades-old foreign policy based on the principle of non-interference in the internal affairs of other nations. In the African continent, security is an increasingly important priority, especially for Chinese companies operating in politically volatile areas and complex environments prone to violence. The continent is riddled with a wide range of conflicts, illustrated in Libya and South Sudan, that involve both state and non-state actors. Conflicts have been ignited by religious tensions, tribal rivalries, political problems, unequal distribution of scarce resources, or natural disasters, some of which are linked with climate change.

Risk assessment and mitigation within the African countries participating in the BRI requires a wide range of security services, along both maritime and land routes. As recently as 2015, the Chinese Ministry of Defense's white paper on military strategy elucidated the requirement to be able to protect its own citizens abroad while simultaneously securing the sea lines of communication and the land routes essential to the country's energy and trade security.¹ The future of the BRI's African security dimension is related to how effectively Beijing is going to coordinate its own military forces with the national and international private security sector as well as with China's participation in international peacekeeping missions. In the African development-security nexus, it is compelling to consider the interactions between China's military and the expanding presence of Chinese Private Security Companies (PSCs). The process of integrating security, conflict resolution, and economic development is, however, still plagued by major shortcomings and unintended consequences. In

high-risk environments, China has realized that over-reliance on economic measures in order to promote security and sustainable development often does not make progress toward achieving either goal.

The modernization of the Chinese state security sector is progressively increasing the People's Liberation Army's (PLA) capabilities to project power far from China's borders. In this respect, the PLA Navy established a presence in Djibouti, East Africa, which was the first Chinese military base on foreign soil. At the same time, Beijing is increasing its commitment to UN peacekeeping missions with funding and troops, mainly deployed in the African continent. Despite these efforts, abundant security risks persist.

ASSESSING, MITIGATING AND MANAGING CRISIS IN AFRICA

IN ORDER TO FILL THE GAP IN THE PROTECTION of Chinese infrastructure and personnel, the Chinese private security sector is increasing its presence in several African countries. Nonetheless, Chinese PSCs are a late comer in the African security sector. At present, China's PSCs are still evolving from local security enterprises operating in low-risk environments in Mainland China to international companies able to maneuver abroad in high-risk areas.

Compared to other areas of the BRI where Chinese PSCs are operating, the African private security dimension is characterized by several peculiarities. First, the African continent still carries the mercenaries' stigma associated with post-colonial conflicts. Second, well before the launch of the BRI and Beijing's endorsement for PSCs going abroad, several Chinese private companies were already operating in Africa in sectors ranging from natural resources extraction to small businesses. These entities organized a sort of armed militia to protect their assets and interests threatened by criminal violence. Third, while the footprint of Chinese PSCs has been heretofore limited to a handful of countries, Africa is witnessing a return of mercenaries and international and well-structured Private Military Companies (PMCs) who support local governments and international interests. Contrary to their Western counterparts, the definition of "private" for the PSCs with "Chinese characteristics" requires taking into account the role of the Communist Party of China and the government bureaucracy in shaping China's corporate private sector. In the socialist market economy, it is often problematic to distinguish where the state-owned part ends and the private part begins.

Chinese PSCs, however, are already extending feelers in the continent to establish profitable business partnerships, especially in Djibouti, Egypt, Ethiopia, South Africa, and Tanzania. These partnerships range from construction site protection to anti-piracy activity. With respect to anti-piracy operations, the combined efforts of an international coalition to contest the pirates that plague the coast of Somalia have reduced the activity, but have not completely eradicated the problem.² Since the beginning of 2018 there has been a renewed increase in piracy off the coasts of both East and West Africa.³ This trend has reignited the need for increased public-private cooperation in the security sector in the region.

A new wave of Chinese PSCs has found a profitable niche market in providing close protection services for Chinese VIPs afraid of kidnapping as well as onboard Chinese commercial vessels transiting through high-risk waters. In this context a small number of Chinese PSCs, out of more than 5,000 companies that compose the Chinese Mainland private security market, are showcasing specialized capabilities that offer insight into the future of Chinese PSCs as a whole.⁴

In the maritime security sector, for example, the company Hua Xin Zhong An (HXZA) is one of the first Chinese security companies whose personnel carry weapons on commercial vessels that transit along the African coasts.⁵ In addition, HXZA has demonstrated the ability to implement internationally recognized standards. Only a few Chinese companies, among the thousands registered in Mainland China, have managed to achieve this milestone. Another of the select PSCs able to implement internationally recognized standards is the Haiwei group.⁶ In several east African countries, from Tanzania to Ethiopia, Haiwei provides local security for Chinese construction and logistic companies.

Beyond China's borders, the BRI's security market's operational requirements are already imposing changes in the overall Chinese private security sector.⁷ The BRI has highlighted the need for skilled personnel and increased PSCs' capacities, but at the moment fewer than a handful of Chinese PSCs are able to meet these higher requirements. In order to promote efficiency and elevate standards it is necessary to address several issues, including:

- Increasing Chinese PSCs capabilities in operating efficiently on the continent without endangering the well-being of local populations and while also avoiding corruption, weapon smuggling, or illegal trade.

- Fostering Chinese PSCs transparency especially in the relationship between local governments and the Chinese military.

At the moment, Chinese PSCs' footprint in Africa is still limited to the passive stance of providing guarding services. This means, for example, unarmed guards who patrol buildings, parking lots, and factories against theft or vandalism. Nevertheless, the conceptual evolution in the employment of PSCs to ensure the security of infrastructure and the safety of workers along the African part of the BRI requires new rules and regulations that cannot be found solely in existing laws.

THE PRIVATE SECURITY SECTOR

REGULATIONS AND EVOLVING GUIDELINES

DURING THE PAST DECADE, DESPITE THE FACT that violent deaths due to armed conflict in Africa have progressively declined, the threat levels related to armed violence have remained dangerously high. Despite the popular perception that terrorism is responsible for the majority of violent deaths, criminal violence is actually the greatest cause.⁸ In Africa, transnational organized crime and the illicit trade of goods is on the rise. The increase of regional and international trade, coupled with weak and corrupt governments, is enabling the growth of new structured transnational criminal organizations that range from drug smuggling to wildlife poaching. In this respect, Chinese firms with limited operational capacity to understand and manage crises have become a potential target for criminal organizations. Albeit being under-reported most of the time, kidnapping for ransom and violent threats to Chinese personnel are increasing in several African countries, including Mali, Niger, Nigeria, Somalia, and Uganda.

In order to address these challenges, the categorical imperative for Chinese PSCs must start with the following:

- Knowledge of the operational area.
- Improved capabilities to distinguish real from perceived threats.
- Most importantly, Chinese SOEs and private companies' willingness to pay for high-level security services.

Several organizations, from the International Organization for Standardization (ISO) to and the International Code of Conduct Association (ICoCA), offer internationally recognized

certifications for PSCs. In Africa's conflict prone areas, such as the Sahel and South Sudan, the Swiss Government, the International Committee of the Red Cross (ICRC), and the Geneva Centre for Security Sector Governance promote toolkits to address security and human rights in complex environments. An increasing number of Chinese PSCs are making efforts to promote transparency, avoid corruption, and minimize the negative spillover effects on local populations, but their number and reach is still very limited.

Nonetheless, there is a compelling need not only to improve laws and regulations but also to promote industry-led and multi-stakeholder standards, to further professionalize the industry and enhance quality assurance. Both the African land and maritime security sectors are affected by a race-to-the-bottom. Driven by falling offer-prices and squeezed margins, quality in security services provision is dangerously decreasing. The saying that you get what you pay for is very much alive in the private security sector.

POLICY RECOMMENDATIONS

CONSIDERING THE EARLY STAGE OF CHINESE PSCs' footprint in Africa, several areas can be improved, starting with:

1. Adoption of international standards and clear guidelines that safeguard local communities.
2. Interaction among local African PSCs and multinational PSCs that act as mentors for the Chinese security sector.
3. Promotion of best practices already tested by local PSCs with special reference to the South African private security sector regulations.
4. Promotion of a new Chinese law that regulates the role and requirements for Chinese PSCs that aim to operate overseas.
5. Increasing the role played by several Chinese national and provincial associations, starting with the China International Contractors Association and China Security Association, in providing detailed data and feedback to Beijing in terms of ongoing crisis. ★

ENDNOTES

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