T2COM Intelligence Post

17 JUNE 2026

Chinese Security Companies Expanding Operational Reach Beyond Party Limits

EXECUTIVE SUMMARY

China employs private security companies (PSCs) in a highly constrained and deliberate manner that prioritizes Chinese Communist Party (CCP) control and reinforces its narrative. Chinese PSCs are legally bound to operate strictly within the legal frameworks of the host nations to which they deploy, and being 51-percent state-owned, they hew closely to the CCP's strategic objectives. Chinese PSCs primarily protect Chinese state assets, investments, and citizens abroad by liaising with host-nation forces and gathering intelligence. While this model supports Beijing's stated noninterventionist foreign policy, a framework for a more muscular security presence is developing, possibly including direct combat roles in high-risk environments. Evolving roles for Chinese PSCs will very likely complicate attribution and deconfliction protocols for U.S. Army formations engaged in peacekeeping, security assistance, and humanitarian operations globally.

CHINA'S STATE-DIRECTED SECURITY PARADIGM

China has cultivated a strictly controlled, state security-focused model for its use of PSCs in contrast to Russia's widespread use of private military companies (PMCs) to further its interests domestically and abroad. While Russian PMCs are armed and organized to conduct primarily for-hire military operations, Chinese PSCs are unarmed and focused on personnel or fixed-site security.[1] Demand in China for security services has skyrocketed for use domestically and abroad over the past 20 years; however, their use poses a challenge to the Party's monopoly on the legitimate use of violence, encapsulated by Mao Zedong's, "the Party controls the gun."[2,3] This makes Chinese PSCs legally distinct from PMCs and places significant constraints on their use of arms both domestically and abroad. As a result, Chinese

PRIVATE SECURITY AND PRIVATE MILITARY COMPANIES

Private security companies are privately owned corporate entities that provide security as a fee-based service, often focused on personnel or fixed-site security. They are typically not organized for combat operations.

Private military companies are privately owned corporate entities that conduct military-type activities as a fee-based service. They may be organized for combat operations.

In practice, both China and Russia maintain a heavy state interest in the ownership and employment of these privately armed groups to extend the reach of traditional state power.

DISTRIBUTION A: APPROVED FOR PUBLIC RELEASE; DISTRIBUTION IS UNLIMITED

PSCs have not emerged as deniable expeditionary armies, designed to overthrow governments or capture resources, as have their Russian counterparts. Instead, they operate as heavily regulated instruments, intended to protect China's vast global economic interests and expanding footprint while carefully maintaining Beijing's public diplomatic stance of noninterference in the domestic affairs of other nations.

The Chinese PSC model is defined by a low tolerance for operational risk to avoid the pitfalls of the Russian PMC long-leash management style that facilitated the Wagner Group uprising against the Russian Ministry of Defense in 2023.[a] The CCP recognizes that rogue actions by armed Chinese nationals abroad would severely damage its international soft-power narrative of "win-win cooperation" and benign economic development.[4] The strategic utility of Chinese PSCs lies in their ability to project a stabilizing, defensive perimeter around Chinese infrastructure projects and personnel without raising concerns about threats to sovereignty from troops or establishing a large footprint in other nations.



Figure 1: Differentiated View of Risk to National Agency Using PSCs/PMCs (Source: T2COM G-2)

PRIVATE SECURITY COMPANIES' OPERATIONAL ROLE

While PSCs started as a 1980s revival of the* biaoju *(armed escort), they quickly evolved to meet the protection needs for China's expanding industrial activities. Initial iterations of these security firms were tightly controlled by the Public Safety Bureau and operated almost exclusively within China's borders.[5] As Chinese state-owned enterprises and private companies rapidly expanded into restive regions of Asia, Africa, and Latin America throughout the 2000s, however, an increase in kidnappings and security incidents involving Chinese nationals created demand for specialized, low-profile security services.[6] Attacks targeting Chinese workers in Afghanistan, Iraq, and Pakistan as early as 2004, combined with subsequent threats to Chinese citizens and investments abroad, drove the CCP to pursue PSCs as a protection option.[7]

The CCP formally legalized PSC overseas operations in 2009 because of its reluctance to deploy the People's Liberation Army (PLA) or the People's Armed Police (PAP) abroad due to domestic political concerns and the desire to avoid international backlash. Chinese law, however, imposes structural and operational constraints that deliberately differentiate PSCs from their Western and Russian counterparts. First, Chinese law mandates security firms maintain at least 51-percent state ownership, ensuring direct state-guided decisionmaking.[8] Second, PSCs are legally bound to operate strictly within the legal frameworks of the host nations to which they deploy, restricting their ability to act unilaterally in most locations. This legal structure ensures Chinese security firms remain tethered to the state's strategic objectives, functioning as commercial extensions of the CCP rather than independent mercenary outfits and helping to preserve the perception of China as a good-faith partner.

a Principle-agent theory is an economic theory that can be applied to international relations and security as a way of identifying when one organization (the principal) asks another organization (the agent) to act on its behalf. When viewed through this lens, the Russian government demonstrates a higher tolerance for political risk in employing PMCs while the CCP retains greater control over how it employs PSCs.

Unlike in the U.S. model, where the military frequently acts as a key security integrator and guarantor for diplomatic and economic missions in hostile areas, the CCP places the legal and financial responsibility for security directly on the Chinese development companies managing overseas projects. The Chinese government then mandates that these state-owned enterprises hire approved Chinese PSCs.[9] This dynamic creates a state-overseen, yet commercially fronted, security apparatus.

Operationally, PSCs are organized as static security forces and advisory elements rather than tactical military units, despite their close integration with local armed forces. Because they are largely unarmed, the PSCs' operational profile focuses heavily on liaison activities with host-nation military and police forces, physical site protection, and intelligence collection. Although most PSC employees are former special operators from either the PLA or PAP, PSCs rely on host-nation security services for armed protection while embedding Chinese employees to oversee and direct those host-country forces.[10] This enables the CCP to effectively secure its interests without the appearance of militarizing its economic projects.

PRIVATE MILITARY COMPANIES (GLOBAL)	CHINA'S PRIVATE SECURITY COMPANIES
U.S. Firms (United States) High-threat VIP protection, static site defense, and specialized tactical training	**Beijing DeWe Security Services** Africa and Middle East infrastructure protection
GardaWorld (Canada) Diplomatic security and armed protection in active war zones	**China Security and Protection Group** Global BRI support, logistics security
Africa Corps (Russia) Direct combat operations, counterinsurgency, and regime protection	**Hua Xin Zhong An (HXZA)** Maritime security, antipiracy
Redut (Russia) Infrastructure protection and frontline combat	**China Overseas Security Group (COSG)** High-risk BRI environments
Executive Outcomes (South Africa) Counterinsurgency, tactical training, and unconventional warfare	**Shanghai China Cityguard** Corporate and VIP security

Figure 2: Comparison of Primary Functions of Global PMCs and Chinese PSCs (Source: T2COM G-2)

The primary operational role Chinese PSCs play for the CCP is providing security, risk management, and intelligence gathering for the Belt and Road Initiative (BRI), making them a key ingredient in the country's economic and geopolitical success. The BRI is a massive, multitrillion-dollar global infrastructure and development project spanning nearly 150 countries. With more than a million Chinese citizens currently working on BRI projects, frequently in politically unstable or conflict-prone regions, the CCP requires a robust security apparatus to protect personnel, supply chains, and infrastructure investments.

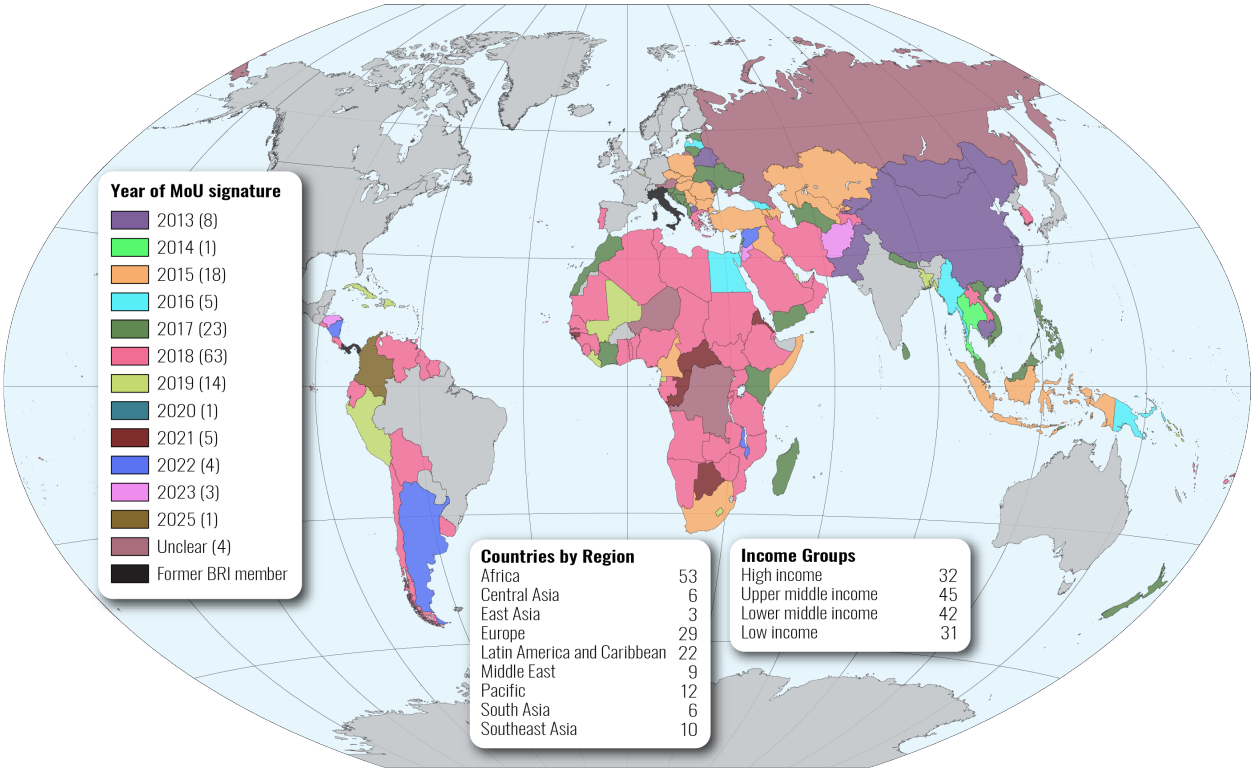


Figure 3: 2025 Belt and Road Initiative Member Countries (T2COM G-2)

PSC EVOLUTION AND INDICATORS OF DIRECT ACTION: MYANMAR 2025

While the baseline Chinese PSC model emphasizes unarmed liaison and defensive posturing, emerging reporting indicates a potentially significant evolution in this framework, allowing for a more military-like posture to defend Chinese government interests. Chinese companies may demonstrate a willingness to expand the operational mandate of PSCs into direct tactical action when strategic BRI investments are threatened, and host-nation security forces prove inadequate.[11] In a significant departure from Chinese legal norms, armed Chinese PSCs have operated persistently in Myanmar since 2021; however, they have only been participated in limited direct combat to defend BRI assets.[12]

Developments in Myanmar highlight a possible turning point in PSC employment, with Chinese personnel providing military-type support to protect assets. Following the military coup in 2021 and subsequent intensification of the civil war in Myanmar, Chinese infrastructure projects, including critical components of the China-Myanmar Economic Corridor, faced severe threats from antijunta resistance forces. Limited reporting indicates the prominent Chinese PSC HXZA escalated its operational profile to provide sniper support, tactical drone operations, and armed security perimeters alongside the Myanmar junta's forces to protect vital energy and transit infrastructure.[13] This intervention was met with significant societal backlash both in China and

Myanmar.[14] While armed Chinese PSCs continue to operate in Myanmar, the CCP apparently later curbed any direct combat operations.[15]

If institutionalized—implicitly or explicitly—this broadening of PSC rules of engagement would mark a critical departure from the officially approved advisory and liaison roles, highlighting the latent combat potential of the Chinese PSC model. While reporting suggests this expansion is more PSC initiative than official CCP policy, it serves as a potential indicator of the CCP's willingness to allow these organizations to assume combat roles.[16] This would likely be limited to situations where the political risks of overt PLA deployment are unacceptable, yet critical state interests are directly threatened with no reliable local security partner capable of protecting Chinese interests.

IMPLICATIONS FOR THE U.S. ARMY

China's PSC model presents a complex challenge for U.S. Army planners and intelligence analysts. While less overtly confrontational than Russian PMCs, the ambiguous, quasi-commercial nature of these Chinese groups obscures their direct connection to the Chinese state, complicating U.S. intelligence preparation of the battlefield and crisis attribution.

U.S. Army formations conducting operations in regions with BRI investments will likely encounter PSCs, creating potential deconfliction challenges. U.S. commanders will be negotiating tactical space with entities that are technically private companies but operate under Beijing's control. Understanding that Chinese PSCs are an integrated, scalable component of China's broader strategy to expand its global footprint is vital for developing appropriate force protection measures and operational responses in contested gray zone environments.

The potential for these security-focused entities to pivot to direct combat roles, as demonstrated in Myanmar, introduces additional unpredictability into the operational environment, adding yet another potential planning factor for both training and operations. U.S. Army intelligence staffs could track the deployment, armament, and host-nation agreements of Chinese PSCs as a standard component of regional threat assessments. A Chinese commercial security element that could rapidly transition into an armed proxy force capable of executing intelligence, surveillance, and reconnaissance or kinetic area-denial operations against U.S. or Allied forces may soon merit a place on commanders' dashboards if the pattern continues.

REFERENCES

1 Weinbaum, Courtney. China's Security Contractors Have Avoided the Fate of Russia's Military Contractors, So Far. RAND, 11 March 2022. https://www.rand.org/pubs/commentary/2022/03/chinas-security-contractors-have-avoided-the-fate-of.html

2 Markusen, Max. A Stealth Industry: The Quiet Rise of Chinese Private Security Companies. Center for Strategic & International Studies, 12 January 2022. https://www.csis.org/analysis/stealth-industry-quiet-expansion-chinese-private-security-companies

3 Zi Yang. China's Private Security Companies: Domestic and International Roles. The Jamestown Foundation, 4 October 2016. https://jamestown.org/chinas-private-security-companies-domestic-international-roles/

4 Legarda, Helena, and Meia Nouwens. Guardians of the Belt and Road: The Internationalization of China's Private Security Companies. Mercator Institute for China Studies, 16 August 2018. https://merics.org/en/report/guardians-belt-and-road

5 Sukhankin, Sergey. An Anatomy of the Chinese Private Security Contracting Industry. Jamestown Foundation, 3 January 2023.

6 Arduino, Allesandro. Chinese Private Security Companies: Neither Blackwater nor the Wagner Group. War on the Rocks, 1 December 2023. https://warontherocks.com/chinese-private-security-companies-neither-blackwater-nor-the-wagner-group/

7 CNN. Chinese Gunned Down in Afghanistan. CNN, 10 July 2004. https://edition.cnn.com/2004/WORLD /asiapcf/06/09/china.afghan/

8 Almén, Oscar, and Hanna Carlsson. The Chinese Communist Party's Influence Over Businesses. Swedish Defence Research Agency, 11 March 2025. https://kinacentrum.se/en/publications/the-chinese-communist-partys-influence-over-businesses/

9 Schachtler, Matthias. The Present and Future of Chinese Private Security Companies. Expertise #76. The Swiss Army, 2024. https://www.vtg.admin.ch/dam/de/sd-web/M4ESZARRi40w/ stratos_digital_76_Schachtler_PCS_def.pdf

10 Suadoni, Lorenzo. The Discreet Rise of Chinese Private Security Companies: Implications for Africa. Atlas Institute for International Affairs, November 30, 2025. https://atlasinstitute.org/the-discreet-rise-of-chinese-private-security-companies-implications-for-africa/

11 Avdaliani, Emil. For China, Private Military Companies are the Future. The National Interest, 8 November 2021. https://nationalinterest.org/feature/china-private-military-companies-are-future-195772

12 Graceeffo, Antonio. An Analysis of Chinese Security Forces Activities in Myanmar. The Democratic Voice of Berma. 4 May 2025. https://english.dvb.no/an-analysis-of-chinese-security-forces-activity-in-myanmar/

13 Sen, Rishan. Security Beyond Borders: China's Private Armies. The Irrawaddy, 2 August 2025. https://www.irrawaddy.com/opinion/guest-column/security-beyond-borders-chinas-private-armies.html

14 Hu, Xinyue. Challenges facing Chinese Private Security Companies in Myanmar. Rajaratnam School of International Studies, NYU. Singapore, 4 June 2025. https://policycommons.net/artifacts/36005572/challenges-facing-chinese-private-security-companies-in-myanmar/36905056/

15 Arduinio, Allesandro. Myanmar: A Litmus Test for China's Private Security Expansion. Observer Research Foundation, 17 March 2025. https://www.orfonline.org/expert-speak/myanmar-a-litmus-test-for-china-s-private-security-expansion

16 Markusen. A Stealth Industry.