

# Chinese Overseas Crime: Illegal Colonialism vs. Legal Colonialism

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The Southeast Asian Mekong River Golden Triangle region has recently come into public attention again due to telecommunications fraud crimes, with Western critics eagerly using these crimes as evidence of Chinese colonialism. Their logic is quite simple: because Chinese people are involved in criminal activities in these areas, China must be engaging in nefarious colonialism. However, this conclusion is highly erroneous, as it misleadingly distorts the definition of colonialism. The Golden Triangle, located at the intersection of Myanmar, Thailand, and Laos, is notorious for drug-related crimes and is one of the world's three major drug-producing regions. After the Mekong River massacre, China and Southeast Asian countries intensified their crackdown on drug-related crimes, leading major drug lords in the Golden Triangle to realize that the risks of the drug trade were no longer proportionate to its profits. As a result, they shifted their focus to illegal gambling, including online gambling. Gambling provided criminals with money laundering techniques and widespread access to network technology, creating the conditions for telecommunications fraud, a business with higher profits and lower risks. When the COVID-19 pandemic caused a sharp decline in offline gambling revenues, the appeal of telecommunications fraud significantly increased. With only a workforce proficient in Chinese, telecommunications infrastructure, and office space, criminal organizations could easily transition into telecom fraud operations. According to relevant reports, in Cambodia, Laos, and Myanmar, criminal groups steal approximately \$43.8 billion dollars annually through fraud, accounting for about 40% of the total formal GDP of these three countries. Many Chinese individuals are the organizers of these crimes, collaborating with local warlords and officials to establish telecom fraud bases in industrial parks originally designed for legitimate

industries. They lure Chinese workers to Southeast Asia with promises of high salaries, then semi-coercively force them to continue working through corporal punishment and restrictions on personal freedom. The massive losses caused by telecom fraud have forced the Chinese government to intervene in affected areas. In October 2023, China prompted several ethnic armed groups in northern Myanmar to launch attacks against criminal organizations colluding with the Myanmar military government, forcing the telecom fraud industry in northern Myanmar to shift to the Golden Triangle, the Philippines, Cambodia, and other parts of Southeast Asia. As the inside story of telecom fraud parks is exposed, crime bosses can no longer recruit workers as easily as before. Due to news reports revealing the brutality of these parks, China's lower-class labor force has become fearful and is no longer easily lured by promises of high wages. As a result, telecom fraud organizations have increasingly resorted to deception and kidnapping to secure labor for this labor-intensive industry. At the same time, Western organizations seeking to attack China have begun linking Chinese enterprises involved in industrial park construction and related Belt and Road Initiative (BRI) projects with Chinese crime bosses. They attempt to portray China's BRI efforts in the developing world as acts of "colonialism." This context has brought international attention to the "Wang Xing incident." Wang Xing, a Chinese actor kidnapped and taken to a telecom fraud park, was virtually unknown but gained global attention. The Thai police, whose ties to these fraud parks remain unclear, easily rescued him after public outcry and sought to quell the incident to avoid reputational and financial damage. Undoubtedly, many Chinese individuals are involved in or connected to these crimes to varying degrees, but

equating Chinese overseas crime with colonialism is incorrect. This narrative implies that China's overseas infrastructure projects and business activities are mere covers for its colonial ambitions. The problem, however, is that in the 21st century, former Western colonial powers claim that colonialism is a thing of the past. They argue that decolonization (what they call "decol") has largely been completed and that former colonies are now independent sovereign nations. Colonialism is supposedly no longer an issue; the challenge now is ensuring that all nations can exist "equally" and "freely" within the global capitalist system. If that is the case, why would China, "defying universal condemnation," reintroduce colonialism in its most primitive and sinister form? Or rather, how does modern colonialism make such an approach possible?

Let us return to the Golden Triangle, which was once part of French Indochina. At that time, drugs such as opium were illegal in France but legal in Laos, where they even became a major industry. Laos followed the example of British Burma in developing the opium trade, turning this remote inland colony into a drug supplier for China. This brought enormous profits to French colonialists and made Laos a profitable colony. In 1914, revenues from opium sales in Laos not only sustained the colonial administration but also contributed \$265,000 to France's central budget. In a secret report from 1943, Eric Pietrantoni admitted: "We estimate that organizing opium production is the only way for Laos to survive... Controlling and expanding opium cultivation is crucial for the Laotian people, both economically and financially." France had no intention of developing this remote part of its Indochinese colony—profit was the only concern, regardless of how many lives were ruined. Thus, no matter how colonialists justify their rule by claiming they brought civilization, such arguments do not apply to Laos. The Laotian people gained nothing from the so-called "civilized world" except a tradition of drug cultivation. Interestingly, the Hmong people in Laos played a special

role in French Indochina. The Hmong had migrated from southwestern China to Laos in the early 15th century, becoming a local ethnic minority while maintaining trade ties with China. French colonialists exploited this connection, encouraging Hmong villages to cultivate opium and working with them, as well as other Chinese merchants, to smuggle opium into China. The Hmong thus became a "proxy ethnic group" in the opium trade.

After the Lao People's Revolutionary Party, supported by the Vietnamese Communist Party, seized power, the U.S. backed the Laotian Hmong as anti-government guerrillas to overthrow the new communist regime. After the U.S. defeat in Vietnam, large numbers of Hmong became refugees and fled to the United States. The privileged ones like Vang Pao, led their people to seek refuge with the U.S., betraying the Laotian people's liberation cause. Vang Pao enjoyed success and a comfortable life in the U.S., but most Laotian Hmong paid a heavy price. The U.S. only officially accepted these refugees in the 1990s, and many perished in exile before ever reaching American soil. Those who did make it became cheap labor at the bottom of U.S. society.

Thus, we can see that drugs have not always been regarded as inherently evil. As a crop comparable to gold, drugs once helped European colonizers continuously extract Chinese silver and transfer it back to their home countries. The national liberation movements of the Third World classified both the colonizers and their drug trade as illegal, forcing them to abandon these profits. However, when drugs were deemed illegal, the CIA deliberately developed the trade as a funding source for covert operations in the Third World. Pro-American guerrilla forces in Laos, Afghanistan, and Latin America were encouraged to cultivate and distribute drugs, funneling them into the U.S. to finance their activities. Later, colonizers realized that they no longer needed to rely on drug trafficking; they could extract vast profits from the Third World through the legal global trade system—without the

As a result, drugs were no longer a necessary colonial industry, and it became convenient for Western countries to classify them as criminal enterprises. Consequently, the U.S. aggressively cracked down on drugs, using "anti-narcotics" campaigns as a pretext to target communist revolutions in Colombia, Peru, and elsewhere. Through their actions, colonial powers demonstrated that so-called "natural law" is meaningless; the only real legal principle is this: anything that benefits colonialism and imperialism is legal, while any resistance or struggle against it is illegal. To this day, the international bourgeoisie monopolizes the power to define legality and has invented new forms of legal colonialism. Just as they plundered Southeast Asia's accumulated wealth during the 1997 financial crisis without consequence, they now label "telecom fraud parks" as colonialism. But do they even realize that the vast illegal profits from these fraud operations come from Chinese victims, not the exploitation of Third World peoples? How could small telecom fraud parks possibly compare to institutions like the World Bank and the International Monetary Fund? Drugs have destroyed the physical and mental well-being of Third World populations, but the poison of colonialism threatens to wipe out their future as well. It must be acknowledged that the industrial parks built with Chinese assistance are merely infrastructure and are fully capable of supporting legitimate industries. However, Southeast Asia has endured a history of colonialism, war, economic blockades, and financial plundering, no longer has the capacity to develop additional industrial projects to fill these parks. At the same time, modern colonialism no longer focuses on developing Third World countries. Colonial powers view their former colonies primarily as sources of markets, resources, and strategic value, and they strive to suppress the development of these nations to prevent them from escaping their control. Colonizers, of course, will "develop" their colonies, but only to the extent necessary to maintain the colonial status of the territory. From the colonizers' perspective, the Third

World today is undoubtedly overdeveloped. China is a typical result of this "overinvestment." Thus, when Chinese capital tries to join the club of international capitalists, it is told that it cannot invest in top-tier sectors such as high-tech or finance because these areas belong to the colonizers, imperialists, and their allies—oppressed peoples are not allowed in!

Therefore, regardless of China's subjective intentions, the capital of socialism with Chinese characteristics can only be invested in infrastructure development in the Third World, which undoubtedly contradicts the colonizers' desire to "freeze" the development of these nations.

However, once Chinese capital (including much private capital) moves overseas and is freed from domestic restrictions, it also attempts to show its claws. When not allowed by international capital to engage in legitimate colonial activities, Chinese capitalists begin to develop illegal businesses. One such activity to note is the Pi coin (PI coins). Pi coins were invented by American Nicholas Kokalis and Chinese FAN Chengdiao, a husband-and-wife duo where one specializes in electrical engineering and the other holds a PhD in artificial intelligence. They claim to have the ability to develop virtual currencies and innovatively allow mining via mobile phones. In reality, Pi coins lack any real cryptocurrency technology, and the Pi coin management team can manipulate its issuance at will, with no recognition from virtual currency markets. As such, Pi coins are essentially a scam, similar to virtual currencies in video games. The Pi coin team claims that the more users invited and the more active users there are, the faster mining occurs. Users who buy or invest in Pi coins can make a profit. This is essentially a pyramid scheme, or a Ponzi scam. Pi coins set up a marketing network throughout China, using the trendy virtual currency concept to deceive ignorant people into investing in Pi coins, with elderly people being the primary victims. Pi coins even expanded overseas, deceiving local laborers in Southeast Asian countries like Indonesia into purchasing Pi coins.

Just as virtual currencies have been tainted with criminal traces from their inception, international capitalists were initially unprepared to accept new developments.

However, when virtual currencies proved their extraordinary profit potential in areas like money laundering and speculation, international capitalists began to adopt them as a "legitimate" financial form. Here, once again, we witness a shift from illegal to legal! While Chinese fraudsters were still using outdated pyramid schemes to promote their scams, a larger-scale scam was being led by former U.S. President Donald Trump. During his campaign and after his victory, Trump repeatedly claimed that he would strongly support virtual currencies, leading to a surge in cryptocurrency prices. Trump personally got involved, launching the "Trump Coin" just before his presidential inauguration, and his wife Melania introduced the "First Lady Coin." The release of Trump Coin instantly exploded in the market, with its market value soaring by billions of dollars overnight, only to crash soon after. The "First Lady Coin" followed a similar trajectory. Within just a few days, countless speculators flooded in, only to lose everything, while the Trump family made billions, enough to cover the costs of his presidential campaign. In contrast, Cambodia's GDP in 2023 was only about \$30 billion. Millions of laborers in the Third World would need to work for months to earn what Trump made in just a few days, and all of this was perfectly legal.

Compared to the colonizers, even Pi coin, which isn't even recognized as a legitimate virtual currency, could be considered a low-level trick. This is the result of the global colonial system: unrecognized capital can only exploit in illegal realms, while imperialism can legally exploit the whole world. In fact, the Third World is sometimes made to feel grateful to those capitalists and politicians due to the aid and charity they receive. Meanwhile, legitimate colonialism establishes its universality by excluding illegal colonial practices. Interpol is more than happy to list drug dealers and

fraudsters as wanted criminals, and the Hague court has already tried several Third World leaders as criminals, but what about the heads of the World Bank and the International Monetary Fund? What about the shareholders of arms companies and large hedge funds? The only exception here is the "Belt and Road Initiative" that China is currently promoting, a peculiar product that integrates a series of characteristics. Given that China's infrastructure construction is already excessive and that investment in frontier sectors has been blocked by the West, the Belt and Road Initiative is launched as an overseas version of Keynesianism. It is widely questioned as economic colonialism, but China has no effective coercive power to protect its investments in Third World countries. At the same time, it breaks the imperialist-imposed developmental limits on colonized countries and provides a second option for any country that seeks independence and development, thus generally enhancing the bargaining power of the Third World. Therefore, the "Belt and Road Initiative" is neither capital exploiting in the illegal realm nor capital with legitimacy recognized by the international bourgeoisie. This exception is becoming a breakthrough in the current deadlock.

Opposing colonialism requires opposing both illegal and legal forms of colonial actions. The liberation movement should not only target the most blatant and egregious crimes but also destroy the legal systems of the colonizers. Third World countries must seize opportunities quickly. The last Cold War period was when the independence and liberation movements of the Third World were most vigorous. For internationalists in China, opposing, exposing, and combating these crimes from China can serve as preliminary work, acting as a stepping stone to establish realistic connections with the people of the Third World.