Economic diplomacy and genocide in Xinjiang

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November 2021
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Summary: The government of China is engaged in a systematic campaign to eradicate culturally, if not physically, the Uyghur Muslim minority of Xinjiang Autonomous Region. The US State Department characterizes this policy as “genocide,” documenting an extensive list of continuing abuses against Uyghurs and members of other religious and ethnic minority groups. Having made this assessment, the issue is then what is to be done? How can economic diplomacy be brought to bear to ensure foreign consumers are not unwitting accomplices to these abuses, including the use of forced labor, and how can those same policy tools be used to name, shame, and try to change behavior of the world’s largest exporter? A multifaceted response is required, combining targeted economic sanctions, coordinated responses to refugees fleeing Xinjiang, private industry-led initiatives, and more symbolic acts including a boycott of the 2022 Beijing Games.

The government of China is engaged in a systematic campaign to eradicate culturally, if not physically, the Uyghur Muslim minority of Xinjiang Autonomous Region. The US State Department characterizes this policy as “genocide,” documenting an extensive list of continuing abuses against Uyghurs and members of other religious and ethnic minority groups including “the arbitrary imprisonment or other severe deprivation of physical liberty of more than one million civilians; forced sterilization, coerced abortions, and more restrictive application of China’s birth control policies; rape; torture of a large number of those arbitrarily detained; forced labor; and the imposition of draconian restrictions on freedom of religion or belief, freedom of expression, and freedom of movement.”

There is no point in relitigating that assessment. Rather, the issue is what is to be done? The United States and the international community face massive challenges in curbing China’s human rights abuses in Xinjiang. China is no pariah state. It is a global power, whose substantial economic, diplomatic, and military power and influence rival that of the United States. First, how can liberal democracies use diplomatic and economic policy levers to ensure their consumers are not unwitting accomplices to these abuses, including the use of forced labor? Second, how can those same levers be used to name, shame, and try to change behavior of the world’s largest exporter? China is by far the largest and most important economy and most diplomatic and militarily powerful country the United States has ever designated as perpetrating genocide.

What is needed is a multifaced response designed to:

1. Ensure products imported from China are not produced with forced labor;
2. Help refugees fleeing from Xinjiang;
3. Bear witness to and express solidarity with the victims of these abuses; and
4. Pressure China to end genocide/crimes against humanity in Xinjiang.

What are the diplomatic and economic policy levers available for attempting to achieve these four objectives? China’s economy is too large—and Chinese leadership too invested in its Xinjiang policies—for the traditional economic sanctions playbook to be effective. Rather, the US and international community should pursue a combination of regional and supply chain-targeted import bans, individually targeted sanctions on firms and their leadership, and more symbolic gestures like pursuing the issue in...
the United Nations Security Council and a boycott of the 2022 Winter Olympic Games in Beijing. A US boycott would put immense pressure on its partners in the Asia-Pacific region to join. Whether they would boycott depends on a variety of factors, most principally trade relationships and broader security concerns.

What is the situation?

The recent history of abuses in Xinjiang can be traced to 2014, when in response to political violence in Xinjiang, Chinese Communist Party General Secretary Xi Jinping visited the autonomous region and called for a “period of painful, interventional treatment.” These measures were intensified after the installation of Chen Quanguo as Chinese Communist Party Secretary for the region in August 2016.

In 2017, Chinese authorities promulgated “Deradicalization Regulations,” codifying measures to “contain and eradicate” extremism. Arrests have risen. According to a Human Rights Watch 2021 report, arrests in Xinjiang in 2017 accounted for nearly 21 percent of all arrests in China, despite Xinjiang making up only 1.5 percent of the total population. A significant proportion of these arrests appear to have been for political crimes. The US Department of State estimates that more than one million Uyghurs and other Muslims have been interned in what are euphemistically termed “transformation through education” centers.

Another form of abuse is the requirement that Uyghur families accept “home stays,” in which Chinese Communist Party cadre “volunteers” forcibly quarter in Uyghurs’ homes and monitor families for signs of “extremism.” Those who exhibit behaviors the government considers to be signs of “extremism,” such as praying, possessing religious texts, or abstaining from alcohol, pork, or tobacco, could be detained in “re-education camps.” There are credible reports that male cadres are sent as monitors to homes where the male head of household is in detention. Very young children are placed in state institutions, including boarding preschools where they are subjected to a heavily Sinicized social and educational environment. Nearly 40 percent of all elementary and middle school students were reportedly separated from their families and placed in such facilities; a leaked internal document implies that the number of institutionalized children exceeds 500,000.

China frames its activities in the region as countering terrorism or extremism and “poverty reduction.” The party-state relies on highly coercive methods, however, such as political reeducation, forced assimilation, attenuation of attachment to Uyghur/Turkic Muslim religious and cultural origins, and forced transfer into paid agricultural and industrial employment. According to the party-state’s political theory, the latter is intended to contribute to a reduction of radicalization. As a statement from a local branch of the Xinjiang Ministry of Justice put it, to “wash brains, cleanse hearts, support the right, and remove the wrong.”

The US government is not alone in finding China’s activities in Xinjiang constitute crimes against humanity and/or genocide. Human Rights Watch and Amnesty International have accused China of committing crimes against humanity in Xinjiang. Belgium, Canada, the Netherlands, and the United Kingdom have concurred that genocide is underway. Others, notably Australia and New Zealand, which are more trade dependent on China, have not. Japan has demurred as well: it was the only G7 country not to impose coordinated sanctions on Chinese officials in response to actions in Xinjiang in March 2021, and the Diet session ended in June with the chamber failing to act on a draft resolution condemning human rights practices in Xinjiang.
If one accepts the conclusions of the US, UK, Belgian, Canadian, and Dutch governments, then it is incumbent on concerned governments to take action to halt these atrocities. As has been rightly observed, “describing a crime is clearly of secondary importance to taking action to stop the crime.”

**What is the challenge?**

If what is happening in Xinjiang were happening in any other country, the genocide designation would not be as controversial. What stands out about the China case is not so much the nature and magnitude of the atrocities but the diplomatic, military, and economic heft of the perpetrating government. China is a superpower, with diplomatic ties to every corner of the globe and military spending surpassed only by the United States.

There is a specifically economic dimension to the challenge as well. Prior to the Xinjiang determination, most of the US government’s atrocity determinations concerned countries that were peripheral to the international economy. In the post-Cold War era, the State Department policy process on genocide designation was partly formalized. The State Department has made assessments of genocide in Cambodia, Bosnia, Rwanda, Burundi, Iraq, Darfur, and areas under control of ISIS. Prior to the end of the Cold War, discussions were held within the executive branch on cases in Biafra, Bangladesh, Nicaragua, Guatemala, and the Soviet Union, as well as on Ottoman-era atrocities against the Armenians (later recognized by the Biden Administration).

Designation is currently under discussion regarding Myanmar. These are all minor economies, with the Soviet Union being an exception but unimportant to US trade and investment at the time. The same is true of sanctions designed to change human rights practices, such as those targeted at South Africa’s apartheid government and Myanmar’s military government.

Broad-spectrum sanctions are effective when the targeted economy is small, the international community is united, the targeted behavior is not a core interest of the perpetrating regime, and the regime in question is weakly institutionalized. China is none of those things: the target economy is massive and a pivotal actor in global value chains; the international community is not united; the Chinese approach in Xinjiang is tied to core, even existential, interests of the Chinese Communist Party (CCP); and the CCP has been in power for more than 70 years. A playbook designed to address apartheid South Africa or Myanmar will not work in curbing Beijing’s current policy approach.

Regarding Xinjiang specifically, the region’s economy is small but globally pivotal in two products: cotton and refined polysilicon. Xinjiang accounts for nearly 20 percent of global cotton production, with annual production greater than that of the entire United States. Its position in polysilicon—the material from which solar panels are built—is even more dominant, accounting for nearly half of global production. This complicates economic policy responses: 20 percent of the world’s cotton and half its polysilicon cannot be easily frozen out of global markets – at least in the short term – without causing massive repercussions for global supply chains and, in the case of polysilicon, transitions to sustainable energy systems.

The dominance in these two markets stems in part from the use of forced labor. Numerically, the largest component appears to be the forced mobilization of the rural poor for seasonal cotton picking in Xinjiang. One source estimates that in 2018 at least 570,000 rural laborers were transferred into this activity, mostly within Xinjiang. Starting in 2014, local governments were given numerical targets, with rewards and penalties for meeting or failing to meet these goals that have been raised over time. Others
report that local governments and private brokers are paid a price per head for arranging transfers. Recent US sanctions on five Chinese firms over forced labor concerns indicate the solar industry is implicated as well.

The forced labor issue, however, is not confined to Xinjiang, due to the government’s policy of “pairing” enterprises in eastern China to facilities in Xinjiang. One source documents 82 foreign and Chinese firms using Xinjiang forced labor outside the region and 54 using forced labor inside Xinjiang, with some overlap in the two groups. Press reports have linked forced labor to the production of personal protective equipment and solar panels, some of which wound up in the United States. Another report produced a conservative estimate of 100,000 ex-detainees working under conditions of potentially forced labor, excluding the coerced rural labor and prisoners. One team of researchers documents at least 80,000 former detainees sent to facilities outside Xinjiang, some coming straight from detention, a figure they believe represents a very conservative indication of the scale of the phenomenon. Well-known global brands including Apple, BMW, Gap, Huawei, Nike, Samsung, Sony, and Volkswagen have reportedly become entangled in these labor schemes. Some of the Chinese factories that supply these firms, including those supplying Apple and Nike, are now rejecting laborers from Xinjiang as allegations of forced labor intensify and Western governments ponder policy responses.

China is a signatory to the International Covenant on Economic, Social, and Cultural Rights. Article 6 of that agreement prohibits forced labor. China has expressly accepted both the illegality of these practices under its international law commitments and its obligation under those commitments to end the practice. In addition, the United States, Canada, and Australia have strict laws prohibiting the import of products made with forced labor, and the EU will soon have a similar ban in place.

What can be done?

We recommend a multifaceted response combining targeted economic sanctions, coordinated responses to refugees fleeing Xinjiang, private industry-led initiatives, and more symbolic acts like a boycott of the 2022 Beijing Games.

- **Targeted Economic Sanctions:** Governments can both sanction the leadership of offending firms and politicians as well as impose regionally targeted import bans. The US government has the capacity under the Global Magnitsky Act to impose visa bans, travel bans, and targeted sanctions against individuals and entities. Similar laws exist in Canada, the United Kingdom and elsewhere. Under its export control laws, the US can also place enterprises and individuals on the so-called “Entity List,” which, for example, can be used to restrict access to surveillance technology. Such sanctions have been imposed on the Xinjiang Production and Construction Corps and affiliated officials. Canada, the United Kingdom, and other countries have similar laws. The United States, Canada, the United Kingdom, and the European Union have imposed a limited number of Xinjiang-connected sanctions.

Section 307 of the Tariff Act of 1930 bans the importation into the United States of goods produced wholly or in part with forced labor. Canada and Mexico likewise prohibit products produced using forced labor; a similar law is under consideration in Australia and in the EU. In January 2021 under this authority, the US imposed an import ban on cotton and tomatoes produced in Xinjiang (but not the whole of China).

Such regionally targeted trade sanctions are rendered inadequate by the spread of forced labor
beyond Xinjiang, however. Section 307 permits Customs and Border Protection (CBP) to seize any shipment of goods that enters the United States that is affected by forced labor anywhere in the supply chain. The mechanism by which this seizure occurs is called a Withhold Release Order (WRO). CBP can determine certain “red flags” indicate forced labor (unless the firms can establish otherwise). This inferential approach is necessitated by the inability to conduct traditional fact finding in the case of Xinjiang. However, the proliferation of highly segmented supply chains poses a significant challenge to the implementation of the law and policy.

A possible response to this conundrum would be for governments to mandate due diligence, calling on firms to publicly disclose the names, addresses, ownership, and other relevant details about with whom they do business in Xinjiang to prevent, mitigate, and remedy human rights abuses in their value chains. Due diligence laws have been adopted in the Netherlands and France and are being discussed at the EU level. In the US Congress, a bipartisan proposal, The Uyghur Forced Labor Prevention Act, would create a “rebuttable presumption” that products made in Xinjiang are made with forced labor and prohibited from entering the United States unless “clear and convincing” evidence to the contrary is shown. It passed the Senate on a voice vote in July 2021 and has been introduced in the House. In the previous Congress, it passed the House by a vote of 406-3. One recommendation is to provide a statutorily-mandated menu of potential responses (other than goods seizures) and to incentivize trade partners to cooperate with US authorities investigating possible violations of Section 307.

That last point may be critical: while well-intentioned, third-party auditing-based responses are unlikely to be effective in Xinjiang under current conditions. Third-party audits can work only if the auditors are allowed to do their jobs: independently assess product sourcing and labor conditions. China is among the most strictly controlled information environments on earth, and the situation in Xinjiang is even more restrictive. The Chinese government has stopped independent auditors at airports and sent them back or forced them to use government-supplied interpreters/minders. In April 2021, China shut down US auditing firm Verite’s subsidiary in China, effectively ending the firm’s ability to do business in the country. Locals, even Han locals, who speak to the foreign press are subject to arrest. Credible, truly independent third-party audits simply cannot occur in such an environment.

Finally, mandatory due diligence laws are needed to address the spread of forced labor out of Xinjiang and the penetration of this abuse into the supply chains for a much broader range of products. Presumably, such action would be less susceptible to retaliation. Depending on the reactions of Chinese enterprises, the impact could be to help alleviate the problem of forced labor, and/or encourage decoupling.

- **Responding to Xinjiang’s refugees**: National governments can work to improve the conditions of Uyghurs within their own borders. Governments should ensure fair access to asylum procedures; facilitate family reunions; end refoulement (the practice of sending a person back to a country where he or she potentially faces a threat to life or freedom); ensure that Uyghurs have access to post-trauma services; and “establish mechanisms to track cases of harassment of Turkic Muslims present in other countries and take steps, including through criminal law, to hold perpetrators accountable.”

- **Private Sector Initiatives**: While an industry-based certification scheme is unlikely to be effective, the private sector still has a substantial role to play. Firms could work together to support
ongoing monitoring and analysis of the situation in Xinjiang. While the results of such an analysis or scoring would not be dispositive, it could serve to identify enterprises that are problematic and be avoided as suppliers and partners. The obvious place to start would be with their own suppliers, including those in eastern China, which may be directly or indirectly exploiting forced labor. The product of such activity could inform customs agency decision-making regarding firm-specific import bans.

Voluntary labor standards could be brought to bear as well. The Sullivan Principles established voluntary labor codes that were applied in the case of apartheid-era South Africa. More recently, the anti-sweatshop movement has contributed to the creation of an SA8000, auditable certification standard that among other things addresses forced labor.

- **A boycott of the 2022 Beijing Games**: China is set to host the 2022 Winter Olympic Games. The winter games are traditionally dominated by liberal democracies among which Japan and South Korea excel and often medal in high-profile events such as speed skating (both traditional and short track), ski jumping, and figure skating. If these countries were to join a US-led boycott, it would be the most public rebuke of China’s human rights practices possible. China would face massive reputational costs just 13 years after the 2008 Beijing Summer Games signaled China’s emergence as a global economy and stamp of approval on China’s economic opening and ascension to the WTO. The 2022 Games could lead to a shift in China’s global image similar in magnitude but entirely opposite in tenor.

The situation in Xinjiang is grim. China’s centrality to the global economy, large and powerful military, and permanent membership on the United Nations Security Council complicate the use of most conventional diplomatic and economic policy levers to help ameliorate the plight of the Uyghurs and other persecuted minorities there. A variety of policy options, ranging from targeted sanctions to industry-led initiatives and more symbolic acts, may help alleviate the suffering. Even if they do not, they will at least help to ensure US and other consumers in liberal democratic countries are not indirectly supporting these activities or signaling through, for example, participation in the Olympic Games, that the situation is acceptable.
The Turkic Muslim community of Xinjiang is predominately, though not exclusively Uyghur. For expositional convenience we refer to them as Uyghurs. Similarly, technically the area is the Xinjiang Uyghur Autonomous Region (XUAR). We refer to it as Xinjiang for convenience. See Roberts (2020) for a history of Chinese policy in Xinjiang.


Ibid.


22 Xu et al. (2021)


24 Lehr and Bechrakis (2019)

25 Xu et al. (2021)

26 Ibid.


30 Lehr and Bechrakis (2019) provide a “smoking gun” example: Hetian Taida supplied clothes to the United States from a factory located within a detention facility—and they used the detention facility’s address in their paperwork. Bown (2021) Appendix 4 contains a list of Xinjiang-connected WROs.


35 The Sullivan Principles, developed by Reverend Leon Sullivan in 1977, were: 1. Non-segregation of the races in all eating, comfort, and work facilities. 2. Equal and fair employment practices for all employees. 3. Equal pay for all employees doing equal or comparable work for the same period of time. 4. Initiation of and development of training programs that will prepare, in substantial numbers, blacks and other nonwhites for supervisory, administrative, clerical, and technical jobs. 5. Increasing the number of blacks and other nonwhites in management and supervisory positions. 6. Improving the quality of life for blacks and other nonwhites outside the work environment in such areas as housing, transportation, school, recreation, and health facilities. 7. Working to eliminate laws and customs that impede social, economic, and political justice (added in 1984). Available at [www.marshall.edu/revleonsullivan/principles.htm](http://www.marshall.edu/revleonsullivan/principles.htm) (accessed November 11, 2013). When this tactic did not bear fruit, eventually Leon Sullivan called upon companies to exit South Africa.