

Making Xinjiang Sanctions Work

Policy Brief No. 1 – Xinjiang forced labour

Based on *Making Xinjiang Sanctions Work*, July 2022ⁱ

Can economic sanctions address Xinjiang forced labour? The Xinjiang Sanctions research project seeks to answer this question. Drawing on 3 original datasets containing over 12,000 datapoints, confidential interviews and a year of research, this Policy Brief series summarises key findings from the research. For further analysis, and the references and authorities supporting the statements in these Policy Briefs, see the project's main research study at www.xinjiangsanctions.info.

The Xinjiang Sanctions Policy Brief series:

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Key research findings

- Forced labour of Uyghur and other minority workers in and from Xinjiang is entwined with Beijing's strategy for governing Xinjiang.
- Two distinct programmes have generated forced labour: 1) the Vocational Skills and Education Training Centres inside Xinjiang; and 2) the Poverty Alleviation through Labour Transfers programme, which transfers minority workers, sometimes to other provinces.
- Together, these programmes have put between 2 and 2.5 million people at risk of forced labour in recent years.
- The programmes work in tandem to force consent by minority workers, making it impossible for external actors to prove work is voluntary.

Why is this important?

- Understanding what drives Chinese Communist Party (CCP) action in Xinjiang, and where forced labour fits into broader governance strategy, is critical to effective sanctions design.
- What drives CCP action in Xinjiang is not a narrowly economic or developmental, nor a purely commercial, logic, but rather a political and strategic one.
- Different due diligence and corporate responses may be needed depending on whether forced labour risk arises from the VSETC programme or the Poverty Alleviation through Labour Transfers programme.
- The political logic underpinning Xinjiang forced labour suggests China will resist external pressure to change these policies.

Research overview

Xinjiang forced labour differs from the forced and child labour addressed through supply-chains measures in many other contexts, because the coercion involved is not imposed on workers by employers, but by the state. Xinjiang – literally 'new frontier' in Mandarin – has long been perceived by rulers in eastern China as a gateway through which disruptive forces from the west can enter the Han ethnic 'core' of eastern China. State-sponsored forced labour should be understood in the context of Beijing's governmental strategies for the region.

Governing the frontier

Beijing's strategies for governing Xinjiang have shifted over time from stabilisation to transformation. Once a Silk Road crossroads, the region became poorer when power shifted to the coast in the 18th Century. Per capita incomes in the region are now less than half those in China's eastern provinces.

President Xi Jinping's father, Xi Zhongxun, served as the top CCP official in the region during the 1950s, while it was being brought firmly under PRC control. The CCP's strategy at this time focused on stabilisation, through large-scale land reclamation and Sinification, with large transfers of poor Han agricultural workers into the region. The XPCC was a key instrument in the execution of this strategy (see Policy Brief No. 2 in this series). At this point, some local minority workers and students were forced into agricultural work, and Han prisoners transferred from other provinces were also coerced into forced prison labour. But forced labour was not a tool of social transformation.

That focus emerged in 2014, under President Xi Jinping's leadership. Riots in Ürümqi in 2009 and a March 2014 indiscriminate attack allegedly carried out by Uyghur separatists at the Kunming Railway Station, which left 31 dead and 143 injured, led Beijing to perceive separatism and violent extremism in Xinjiang Uyghur Autonomous Region (XUAR) as a threat to broader PRC stability. Beijing responded by adopting a new governance strategy in Xinjiang. This aimed at integrating the region's political economy more directly into CCP-controlled economic and political circuits, as well as incorporating XUAR into global commerce.

President Xi framed the governance of Xinjiang in terms of the Party's larger strategic goals of national unity (and reunification), national security and national rejuvenation, characterising stability in Xinjiang as the foundation for the stability of the entire nation. Xi further called for the unwavering "use of the weapons of the people's democratic dictatorship".

Beijing also pushed more openly for the assimilation of minority populations, extending surveillance infrastructure deeper into religious, political and household spaces. The "Becoming Family" (结对认亲) campaign, for example, has placed a million Han 'guests' into the homes and bedrooms of minority host families, without their consent, to monitor and report on their hosts' private lives and thinking. This strategy has generated forced labour through two distinct policy interventions: 1) so-called Vocational Skills Education and Training Centres; and 2) Poverty Alleviation Through Labour Transfers.

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‘Vocational training’

In the last few years, Chinese authorities have constructed a contemporary “gulag archipelago” or system of “concentration camps” across Xinjiang. This is a prison-industrial complex incorporating dozens of residential “Vocational Skills Education and Training Centres” (*zhiye jineng jiaoyu peixun zhongxin* 职业技能教育培训中心, or VSETCs).

The VSETC system was initiated by XUAR authorities in 2017, through a “De-Extremification Regulation” (新疆维吾尔自治区去极端化条例) creating a system of “centralised education” and “behavioural correction” in residential training centres. Between 1 and 2 million people from Uyghur, Kazakh and other minorities may have been involuntarily detained in these detention centres. The authorities indicate that the period of residential training in VSETCs has now passed, with “students” having “all graduated” and “[w]ith the help of the government... achieved stable employment”.

The Chinese government represents these centres as a large-scale effort to develop the skills of disadvantaged minority peoples in XUAR, to improve the “employability of workers” and promote “stable employment”. Detention in the VSETCs is notionally administrative, not punitive. But it requires only that authorities suspect a person’s “infection” with dangerous incorrect thinking such as separatism or religious extremism.

There is growing and extensive evidence that the centres are run as prisons, including hooding, shackling and handcuffing, and shoot-to-kill orders for those attempting escape or causing security disturbances. First-hand testimony and policy documents suggest the VSETCs are brutal and dangerous ethnic internment camps, designed as a massive, preventive counter-extremism measure to preemptively fight separatism and religious extremism through “transformation through education” aimed at “treating” people “contaminated” by exposure to separatist and potentially extremist thinking. Evidence also suggests the VSETCs have become sites of significant attendant human rights violations, from sexual assault to torture.

Detention also includes a significant focus on work in labour-intensive jobs such as apparel work, in factories located close to or inside the re-education centres. Within the workplaces associated with this prison-industrial complex, first-hand accounts describe payment of no or negligible wages, the inability to exit, markers of involuntarily in working conditions (such as close surveillance, oppressive supervision and production quotas), and penalties for non-compliance.

The government typically pays enterprises (both private and state-owned) a fee for each “trainee” or “graduate” they employ, and may also provide financial and logistical support, such as subsidised access to production facilities and provision of security services, which may lower production costs by as much as 30 per cent. The government has also actively encouraged employers, especially in cities and towns in eastern China which have been ‘paired’ with urban centres in Xinjiang under earlier development policies, to hire the labour force “re-educated” in the VSETCs. Access to VSETC labour has been a key driver of Xinjiang’s economic expansion in the last decade, attracting significant inward investment by Chinese and Western brands.

Nevertheless, the central rationale of government investment in the VSETC system appears to be a political one. Forced labour is, in this system, intended as a mechanism for transforming workers’ political consciousness. It draws on the Maoist tradition of “Reform through Labour” (*láodòng gǎizào*, 劳动改造) aimed at criminal rehabilitation, and “Re-education through Labour” (*láodòng jiàoyǎng*, 劳动教养, or *laojiao* for short) aimed at political re-education. The latter, which formally ended in 2013, was repeatedly identified as a cause for concern by UN human rights bodies, including the UN Working Group on Arbitrary Detention.

‘Poverty Alleviation through Labour Transfers’

Forced labour has also emerged from the Poverty Alleviation through Labour Transfer scheme (*zhuanyi jiuye tuopin* 转移就业脱贫), which facilitates potentially coercive sectoral transfers of predominantly agriculturalist and nomadic ethnic populations into labour-intensive wage employment. The scheme has moved hundreds of thousands (and perhaps millions) of ethnic minority workers into jobs in satellite factories in rural villages and towns in Xinjiang, and in factories in cities in Xinjiang and other provinces.

The scheme grows out of longstanding poverty alleviation programming aimed at addressing the so-called “surplus rural labour” in western China, Xinjiang and Tibet. Since 2014, there has been an increased emphasis on the participation of big business, in return for state subsidies and investment. President Xi pushed for an expansion of labour transfers from Xinjiang in 2014. The CCP leadership has linked such transfers to the creation of “immunity” to “religious extremist thinking”, through “ethnic... blending” and Sinification. The scheme is seen as a way to address unemployment before it can “provoke trouble”. By 2016 this approach had translated into an industrial-scale transfer of Uyghur workers from southern Xinjiang into labour-intensive industry, including cotton-related sectors and agriculture in Xinjiang, and technology and other sectors outside Xinjiang. Several hundred thousand people appear to have been transferred in this way.

Worker placement schemes do not necessarily violate international labour norms and standards, but they must guard against coercion. This is especially the case where they are adopted in the context of larger socio-cultural transformation and security efforts, including a history of displacement from the land. In Xinjiang, rather than safeguarding against coercion, the implementation of this scheme seems to have invited it. Teams of officials have visited households to talk reluctant minority workers into participation. “Relatives” of Han ethnicity have lived temporarily in minority households, reporting on what they see – and increasing the risk for their minority hosts of being caught in the VSETC system. And minority workers have also lost access to land.

In 2014, Premier Li Keqiang made clear that he saw transfer of workers into labour-intensive industry as a way of transforming incorrect “thinking about employment” amongst minority groups, thereby protecting those workers against recruitment by “evildoers” (i.e. separatists and violent extremists). Indeed, Xinjiang’s 13th Five-Year Poverty Alleviation Plan, which commenced in 2017, calls for curing “ignorance and backwardness” through the mobilisation of “surplus rural labour”, including minority groups pursuing traditional livelihoods on the land.

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Implications

Each of these programmes, alone, represents a significant risk of forced labour. Together, that risk is significantly multiplied. Workers know that if they refuse to participate in the Labour Transfers scheme, they and their family may wind up in “vocational training”. Their consent is “structurally forced”.

The VSETC and Labour Transfers schemes operate in tandem in Xinjiang to transform not only individual worker consciousness, but the agency of minority communities as a whole. Corporate participation in and support for these schemes is supported by significant state subsidies, tax incentives and fiscal transfers.

Xinjiang forced labour should be understood not as the result of poor workplace and labour force management practices on the part of businesses in Xinjiang, but as the result of state policy. It is a symptom of a deliberate attempt to solve the notional “problem” of ethnic separatism in Xinjiang by overwriting modern “Chinese” thought habits and working patterns on top of the traditional lifestyle and thinking of Uyghur and other minority communities. This pattern of attack on a people and a community as a whole is precisely why some consider Xinjiang forced labour to be a symptom of a broader strategy that, when understood as a whole, may amount to genocide.

The way forced labour emerges from this situation depends on which scheme is involved. The VSETC and Poverty

Alleviation through Labour Transfers involve different forms of coercion, applied in different places, by different actors, and for slightly different purposes. This suggests slightly different target sets for sanctions – and different areas of inquiry for corporate due diligence.

Finally, the political logic underpinning Xinjiang forced labour suggests that the Chinese government will resist external pressure to change this policy, long and hard. Companies that participate in Western sanctions efforts will be perceived not simply as signalling unhappiness with commercial employers’ labour management practices, but rather as executing a policy that the CCP has framed as placing national security, unity and rejuvenation at risk. This then activates a long historical memory of China’s “humiliation” by Western imperialists in the 19th and 20th Centuries, stoking a nationalist response.

ⁱ James Cockayne, *Making Xinjiang Sanctions Work: Addressing forced labour through coercive trade and finance measures* (Nottingham: University of Nottingham, 2022).