



**U.S. House of Representatives Committee on Rules**

**Examining China's Coercive Economic Tactics**

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Dear Chairman Cole, Ranking Member McGovern, and distinguished members of the committee, thank you for convening this hearing on a very consequential issue that if effectively addressed, will have a major impact on the Chinese government's ability to undermine human rights in China and around the world.

The reason that the Chinese government has been able to avoid accountability for its abysmal human rights record for so long is due in no small part to its mastery of leveraging its economic size for political purposes. Crucially, it has long conditioned access of foreign businesses to the China market on compliance with its political demands.

One such demand is to censor content critical of the Chinese Communist Party (CCP), to which many foreign companies have readily obliged. Take for example the American tech behemoth Apple. Since 2017, Apple has removed hundreds of virtual private networks (VPNs) from China's App Store, which has made it much harder for people in China to circumvent government censorship to access banned information, such as the Tiananmen Square protests, criticisms of Chinese leaders, and human rights abuses in Tibet and Xinjiang.<sup>1</sup> Apple has removed apps of foreign news outlets, including the *New York Times* and Quartz, preventing

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<sup>1</sup> Saheli Roy Choudhury, "Apple Removes VPN Apps in China as Beijing Doubles down on Censorship," CNBC, August 2, 2017, <https://www.cnbc.com/2017/07/31/apple-removes-vpn-apps-in-china-app-store.html>.

readers in China from accessing independent news coverage.<sup>2</sup> Apple has also banned its products sold in China being engraved with words such as “human rights” and “democracy.”<sup>3</sup>

Just like Chinese tech companies, Apple also appears to take preemptive actions to appease the CCP. According to the *New York Times*, Apple created a mechanism to proactively reject or remove apps the company believes could run afoul of government censors.<sup>4</sup>

Apple’s self-censorship has also extended beyond China, affecting what people around the world can watch. In 2018, according to BuzzFeed, Apple’s leadership warned the creators of some shows on Apple TV+ to avoid portraying China in a negative light.<sup>5</sup>

Apple is just one example.<sup>6</sup> Other big tech companies have similarly succumbed to Chinese government pressure, contributing to the creation of a Chinese digital space in which netizens are subjected to pervasive censorship and surveillance.<sup>7</sup> According to a 2023 study by Citizen Lab, by some measures, Microsoft’s search engine Bing censors politically sensitive content in China even more stringently than domestic Chinese search engines.<sup>8</sup> The *New York Times* reported in

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<sup>2</sup> Katie Benner and Sui-lee Wee, “Apple Removes New York Times Apps from Its Store in China,” *The New York Times*, January 5, 2017, <https://www.nytimes.com/2017/01/04/business/media/new-york-times-apps-apple-china.html#:~:text=Apple%20has%20taken%20down%20news,impact%20on%20me%20is%20okay>.

And

Jordan Valinsky, “Apple Removes Quartz App in China,” *CNN*, October 10, 2019,

<https://www.cnn.com/2019/10/10/media/quartz-china-apple-app-store/index.html#:~:text=Apple%20has%20pulled%20business%20website,in%20China%20over%20content%20concerns.&text=Quartz%20said%20the%20tech%20company,publisher%20with%20any%20additional%20details>.

<sup>3</sup> James Vincent, “The Four Numbers Apple Won’t Let You Engrave on Your iPad in China,” *The Verge*, August 19, 2021, <https://www.theverge.com/2021/8/19/22632029/apple-engraving-filter-censorship-keyword-china-hong-kong-taiwan>.

<sup>4</sup> Jack Nicas, Raymond Zhong, and Daisuke Wakabayashi, “Censorship, Surveillance and Profits: A Hard Bargain for Apple in China,” *The New York Times*, May 17, 2021, <https://www.nytimes.com/2021/05/17/technology/apple-china-censorship-data.html>.

<sup>5</sup> “Apple Told Makers of TV plus Shows to Avoid Depicting China Critically, Report Says,” *CNET*, October 12, 2019, <https://www.cnet.com/tech/tech-industry/apple-told-makers-of-tv-plus-shows-to-avoid-depicting-china-critically-report-says/>.

<sup>6</sup> Apple did not substantively respond on the record to Human Rights Watch’s letters sent in 2019 and 2021 and an email sent in 2022 regarding its China operations.

<sup>7</sup> “Shi Tao: China Frees Journalist Jailed over Yahoo Emails,” *The Guardian*, September 8, 2013,

<https://www.theguardian.com/world/2013/sep/08/shi-tao-china-frees-yahoo>

And

Liza Lin and Josh Chin, “U.S. Tech Companies Prop up China’s Vast Surveillance Network,” *WSJ*, November 26, 2019, <https://www.wsj.com/articles/u-s-tech-companies-prop-up-chinas-vast-surveillance-network-11574786846>.

And

Mara Hvistendahl, “Exclusive: How Oracle Sells Repression in China,” *The Intercept*, February 18, 2021,

<https://theintercept.com/2021/02/18/oracle-china-police-surveillance/>.

<sup>8</sup> Bing in a response to the *New York Times* said the company would look into the findings but had not yet fully analyzed them.

Steven Lee Myers, “China’s Search Engines Have More than 66,000 Rules Controlling Content, Report Says,” *The New York Times*, April 26, 2023, <https://www.nytimes.com/2023/04/26/business/china-censored-search-engine.html>.

2021 that Bing even blocked iconic image and video results for the phrase “tank man” outside of China, including in the US, Germany, and Switzerland.<sup>9</sup>

If companies such as Apple and Microsoft, the world’s largest and second largest companies by market capitalization, are unable or unwilling to resist the Chinese government’s demand to cooperate with its machinery of repression, imagine the kind of concessions smaller companies are asked to make – and could be making – to do business in China.

The Chinese government has also leveraged market access to force companies to be complicit in one of the world’s worst human rights crises. Since 2017, the government has subjected 13 million Uyghurs and other Turkic Muslim minorities in the Xinjiang region to mass surveillance, arbitrary detention, torture, cultural persecution, forced labor, and other human rights violations, which “may constitute ... crimes against humanity,” according to an August 2022 United Nations report.<sup>10</sup> Despite the widely publicized abuses by Xinjiang authorities, Disney in 2020 publicly thanked the Xinjiang police – the main agency responsible – for their help in making its film *Mulan*.<sup>11</sup>

Chinese authorities have repeatedly encouraged consumers to boycott companies that have publicly expressed concerns about forced labor by Uyghurs in Xinjiang and elsewhere in China.<sup>12</sup> Facing consumer backlash, major international apparel brands, such as Zara and PVH, the latter owner of Tommy Hilfiger and Calvin Klein, took down online statements explaining its policies against forced labor.<sup>13</sup> The US chipmaker Intel apologized for its letter telling suppliers not to source from Xinjiang.<sup>14</sup>

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<sup>9</sup> Microsoft in a response to the New York Times attributed the incident to “accidental human error” and restored the video and image results a few days later.

Paul Mozur, “Microsoft’s Bing Briefly Blocked ‘Tank Man’ on Tiananmen Anniversary,” The New York Times, June 5, 2021, <https://www.nytimes.com/2021/06/05/business/bing-tank-man-microsoft.html>.

<sup>10</sup> “Break Their Lineage, Break Their Roots,” Human Rights Watch, April 19, 2021, <https://www.hrw.org/report/2021/04/19/break-their-lineage-break-their-roots/chinas-crimes-against-humanity-targeting>.

And

“OHCHR Assessment of Human Rights Concerns in the Xinjiang Uyghur Autonomous Region, People’s Republic of China,” OHCHR, August 31, 2022, <https://www.ohchr.org/sites/default/files/documents/countries/2022-08-31/22-08-31-final-assesment.pdf>.

<sup>11</sup> Disney did not respond to a September 2020 Human Rights Watch letter regarding this incident.

Ben Westcott and Selina Wang, “Disney Hit by Backlash after Thanking Xinjiang Authorities in ‘Mulan’ Credits,” CNN, September 8, 2020, <https://www.cnn.com/2020/09/08/media/mulan-controversy-xinjiang-credits-intl-hnk/index.html>.

<sup>12</sup> “China: Companies Should Resist Boycott Threats,” Human Rights Watch, March 27, 2021, <https://www.hrw.org/news/2021/03/27/china-companies-should-resist-boycott-threats>.

<sup>13</sup> Marc Bain, “Under Pressure in China, Zara Deleted a Statement about Xinjiang,” Quartz, March 25, 2021, <https://qz.com/1988896/under-pressure-in-china-zara-deleted-a-statement-about-xinjiang#:~:text=Until%20yesterday%2C%20Zara’s%20parent%20company,Inditex’s%20statement%20has%20been%20removed>.

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“PVH,” KnowTheChain, 2021, [https://knowthechain.org/company/pvh\\_2021/](https://knowthechain.org/company/pvh_2021/).

<sup>14</sup> “Intel Apologises in China over Xinjiang Supplier Statement,” Reuters, December 23, 2021, <https://www.reuters.com/technology/intel-china-apologises-over-xinjiang-supplier-statement-2021-12-23/>.

Some companies look the other way. In 2013, amid concerns of political and cultural regression in Xinjiang, Volkswagen opened a joint plant in Xinjiang with the Chinese state-owned car maker SAIC Motor. In 2019, after rights abuses in Xinjiang dramatically escalated and became widely reported, Volkswagen's chief executive still claimed that he was "not aware of" the political education camps, where an estimated one million Uyghurs and other Turkic Muslims were detained.<sup>15</sup> In 2023, Volkswagen's head of China business, during a visit to the company's Xinjiang factory, said he was "aware of the critical reports about Xinjiang" but saw no sign of forced labor.<sup>16</sup> According to a 2022 report by Sheffield Hallam University, Volkswagen and many other car companies are at high risk of sourcing from companies linked to abuses in Xinjiang.<sup>17</sup> Despite the well-documented allegations, the company said it was committed to staying in Xinjiang "as long as...it is economically feasible."<sup>18</sup> In 2023, Volkswagen announced a plan to expand its investments in China.<sup>19</sup>

To stay in the good graces of the Chinese government, some business organizations have actively participated in the coverup of Chinese government human rights abuses. In 2021, after Chinese authorities forcibly disappeared Chinese tennis star Peng Shuai after she alleged being sexually assaulted by a top CCP leader, the International Olympic Committee (IOC) joined with Chinese authorities to demonstrate Peng's "freedom" by having video calls and meetings with her in a highly controlled environment and then claiming she was "doing fine" and "relaxed."<sup>20</sup>

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<sup>15</sup> Rick Noack, "Volkswagen CEO 'not Aware' of Uighurs Detained in China's Xinjiang, despite Having a Factory There," The Washington Post, April 17, 2019, <https://www.washingtonpost.com/world/2019/04/17/volkswagen-built-factory-chinas-xinjiang-where-up-million-uighurs-have-been-detained-its-ceo-says-hes-not-aware-that/>.

<sup>16</sup> Victoria Waldersee and Jan Schwartz, "Volkswagen under Fire over Xinjiang Plant after China Chief Visit," Reuters, February 28, 2023, <https://www.reuters.com/business/autos-transportation/volkswagen-china-chief-visits-xinjiang-plant-sees-no-sign-forced-labour-2023-02-28/>.

And

"Statement on Visit to "SAIC Volkswagen (Xinjiang) Automotive," Volkswagenag, March 8, 2023, [https://www.volkswagenag.com/presence/investorrelation/publications/corporate-governance/esg-controversies/2023.03.08\\_Statement%20on%20plant%20visit%20by%20Ralf%20Brandst%C3%A4tter.pdf](https://www.volkswagenag.com/presence/investorrelation/publications/corporate-governance/esg-controversies/2023.03.08_Statement%20on%20plant%20visit%20by%20Ralf%20Brandst%C3%A4tter.pdf).

<sup>17</sup> Volkswagen, in its response to Sheffield Hallam University report, said it opposed any form of forced labor in all its business operations, and had a system in place to "prevent or detect possible misconduct or violations" and has "found no evidence" of forced labor in its Xinjiang factory."

Laura Murphy et al., "Driving Force," Sheffield Hallam University, December 2022, <https://www.shu.ac.uk/helena-kennedy-centre-international-justice/research-and-projects/all-projects/driving-force>.

And

Jim Wormington, "Car Industry Linked to Forced Labor in Xinjiang," Human Rights Watch, December 6, 2022, <https://www.hrw.org/news/2022/12/06/car-industry-linked-forced-labor-xinjiang>.

And

"Volkswagen Group Statement on the Sheffield Hallam University Report," Volkswagenag, December 19, 2022, [https://cw.volkswagenag.com/presence/investorrelation/publications/corporate-governance/esg-controversies/2022.12.19\\_Volkswagen\\_Group\\_Statement%20on%20the%20Sheffield%20Hallam%20University%20Report.pdf](https://cw.volkswagenag.com/presence/investorrelation/publications/corporate-governance/esg-controversies/2022.12.19_Volkswagen_Group_Statement%20on%20the%20Sheffield%20Hallam%20University%20Report.pdf).

<sup>18</sup> Victoria Waldersee and Jan Schwartz, "Volkswagen under Fire over Xinjiang Plant after China Chief Visit," Reuters, February 28, 2023, <https://www.reuters.com/business/autos-transportation/volkswagen-china-chief-visits-xinjiang-plant-sees-no-sign-forced-labour-2023-02-28/>.

<sup>19</sup> Melissa Eddy, "Volkswagen Will Invest \$193 Billion in Electric Cars and Software," The New York Times, March 14, 2023, <https://www.nytimes.com/2023/03/14/business/volkswagen-electric-vehicles-batteries-investment.html>.

<sup>20</sup> "Olympics: Don't Promote Chinese State Propaganda," Human Rights Watch, November 22, 2021, <https://www.hrw.org/news/2021/11/22/olympics-dont-promote-chinese-state-propaganda>.

In contrast to the IOC, the Women's Tennis Association (WTA) initially repeatedly expressed concerns about Peng Shuai's health and safety, called for an investigation into her complaint, and pulled tournaments out of China. At the time, WTA stood out as one of the only business organizations that appeared willing to stand up to the CCP. Yet, after 16 months of suspension, the WTA in April 2023 resumed its operations in China.<sup>21</sup>

Under the United Nations Guiding Principles on Business and Human Rights, companies have a responsibility to avoid contributing to government human rights violations.<sup>22</sup> But foreign companies are not meeting their responsibilities in China. Some even failed to abide by their own human rights policies.<sup>23</sup> So, it is crucial for the US and other governments to take action.

To that end, Human Rights Watch respectfully urges Congress to:

- Hold hearings requesting executives of companies operating in the US that have substantial presence in China to testify in relation to their China operations, including whether they have conducted human rights due diligence and their responses to requests from Chinese authorities that would be contrary to their human rights responsibilities.
- Enact legislation that requires all companies operating in the US to conduct human rights due diligence for their operations globally.
- Enact legislation that requires greater transparency from tech companies, including disclosure of their content moderation policies and enforcement practices, such as reporting on content or app removal following government requests and policies.
- Enact legislation that requires companies sourcing materials with a high risk of links to Xinjiang, such as polysilicon and aluminum, to disclose their supply chains to the raw material level to demonstrate that they are sourcing from outside Xinjiang.

Relevant US authorities should:

- Effectively enforce the Uyghur Forced Labor Prevention Act. Customs and Border Protection should release monthly data describing the goods it holds, re-exports, excludes, or seizes, including information on the company importing the banned goods, the nature of the goods, their approximate value, and the reason for the enforcement action.<sup>24</sup>

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<sup>21</sup> Christopher Clarey, "WTA Returns to China, Lifting Suspension on Tournaments," The New York Times, April 13, 2023, <https://www.nytimes.com/2023/04/13/sports/tennis/wta-china-peng-shuai.html>.

<sup>22</sup> "Our Commitment to Human Rights," Apple, August 2020, [https://s2.q4cdn.com/470004039/files/doc\\_downloads/gov\\_docs/Apple-Human-Rights-Policy.pdf](https://s2.q4cdn.com/470004039/files/doc_downloads/gov_docs/Apple-Human-Rights-Policy.pdf).

And

"Declaration by the Volkswagen Group on Social Rights, Industrial Relations and Business and Human Rights," Volkswagenag, November 27, 2020, [https://www.volkswagenag.com/presence/nachhaltigkeit/documents/policy-intern/201209-sozialcharta\\_en.pdf](https://www.volkswagenag.com/presence/nachhaltigkeit/documents/policy-intern/201209-sozialcharta_en.pdf).

<sup>23</sup> "Apple Commits to Freedom of Information and Expression in Human Rights Policy," Reuters, September 4, 2020, <https://www.reuters.com/article/us-apple-human-rights/apple-commits-to-freedom-of-information-and-expression-in-human-rights-policy-idUSKBN25V0XY>.

<sup>24</sup> "China: US Law against Uyghur Forced Labor Takes Effect," Human Rights Watch, June 20, 2022, <https://www.hrw.org/news/2022/06/20/china-us-law-against-uyghur-forced-labor-takes-effect>.

- Effectively enforce existing laws to impose financial penalties on companies for importing or attempting to import goods linked to forced labor in China and use the Trafficking Victims Protection Act to prosecute corporations and company officials who engage in criminal conduct.
- Hold dialogues with other key markets such as the European Union, Canada, Australia, and the United Kingdom to introduce import-restrictions tied to forced labor in Xinjiang.

Thank you for your attention.