

Executive Summary

Uyghur forced labor, one of the most severe human rights violations in the modern world, is imposed by the clear directive of the Communist Party of China, mobilizing all its apparatuses in the Uyghur Region and beyond, not only to gain material benefit from the low or unpaid Uyghur workers but also to monitor them in the forced labor facilities. The forced labor network in the Uyghur region separates workers from their land and families to serve the purpose of eradicating Uyghur identity and culture in the Uyghur Region. From top to bottom, numerous state agencies are mobilized to transfer workers to production facilities, with participation and support from enterprises both at the supply and demand side of the "forced labor market" in the Uyghur Region. Hence, companies operating in or sourcing from the Uyghur Region or sourcing from a company that has participated in Xinjiang Aid put their supply chain at high risk of exposure to systematic forced labor schemes across and beyond the Uyghur Region.

Structure of Forced Labor in the Uyghur Region Labor transfers between 2016-2021: 14.33 Million, 2022 transfers: 3.03 Million times.* Provides Implements **Communist Party of China** Campaigns that are centives/subsidies that are linked to state-imposed transfers labor transfers Xinjiang Aid (援疆) Poverty Alleviation Fransfer of Surplus Labor Subsidy for participating Fanghuiju (访惠聚工作补助 (富余劳动力转移) Rural Revitalization (乡村振兴 tual pairing assistance (结对帮扶) **XPCC** enterprises and Transfer (土地流转) State-owned enterprises Private enterprises Satellite Factories Supply labor to **Industrial Parks** Farms, mines, and other Supply labor to Camps URM * One person might be transferred more than once.

The Supply: Making Uyghurs Available for Exploitation

The regional government then strategies to transfer "surplus labor" to various locations in and outside the Uyghur Region, collaborating with grassroots organizations, companies, and state agencies. Strategies include establishing "satellite factories" and "poverty alleviation workshops" for "rural surplus labor." CCP official documents on the subject proudly mentioned that they assured that "zero-employment households found jobs within 24 hours once they were identified."

According to the <u>Xinjiang Development and Reform Commission</u>, Uyghurs from so-called "re-education centers" (internment camps) <u>had grown significantly</u> due to economic activity for the Uyghur Region by late 2018. Shohrat Zakir, Chairman of the XUAR, <u>said in October 2018</u> that there would be a "seamless link between learning in school and employment in society" for "trainees" who finished their periods in the internment camps to be hired by "established firms." Under the pairing initiatives such as the "school + enterprise + industry" framework, in which Uyghurs and other local people from re-education and vocational training programs are <u>dispatched</u> to different cities in the Uyghur Region.

A White Paper issued by China's State Council Information Office in 2020 claims that the XUAR government initiated a three-year initiative from 2017 to 2019 to enhance its poverty alleviation plan across 22 counties in southern parts of the Uyghur Region, which is dominated by Uyghurs, along with four regimental farms within the XPCC. Primarily, government agencies and companies are directly involved in the state-imposed labor transfer program under the <u>campaigns</u> such as "one-on-one help," "counterpart support," "mutual pairing help," "rural revitalization," "one company help one village," "thousands of enterprises help thousands of villages" etc.

Furthermore, CPC agencies create "surplus labor" by adopting a unique program called "land transfer." Once Uyghurs and Kazakhs leave their land, they are classified as "surplus labor," and poor households are <u>subjected</u> to labor transfer programs. These <u>initiatives involve</u> 500,000 acres of land and affect 21,793 households with 77,971 individuals, in Shaya alone. Chronicles of the Poverty Alleviation Task Force of the Xinjiang Uyghur Autonomous Region Political Consultative Conference "Fanghuiju" Village Working Team <u>describe</u> the farmers who "handed over their land" to work in the newly established satellite factories in their hometown as "farmers liberated from their land and transformed industrial workers." Under the <u>directives</u> of CPC Xinjiang, representatives from the enterprises (both state-owned and private), <u>participate</u> in grassroots working groups, such as Fanghuiju, and become an integral part of the forced labor practices in the Uyghur Region, from surveillance of households to determine people who must participate in labor transfer programs. The <u>social responsibility commitments</u> of enterprises made to the CPC require companies to participate in these working groups with select Communist Party members working in their companies.

The Demand: How Companies Are Incentivized to Use Uyghur Forced Labor

The National Development and Reform Commission designed the Counterpart Assistance to Xinjiang (or Xinjiang Aid) program, which assigns industrialized provinces of the mainland to cities and towns in the Uyghur Region to assist in economic development. It is also a pathway for private and state-owned enterprises in the mainland to move into the Uyghur Region by building massive industrial parks in the rural areas and employing transferred Uyghur workers in their production plants. For example, the widely circulated photo of detainees in the Lop County Number 4 Reeducation Center is in Beijing Industrial Park, established by Xinjiang Aid from Beijing Huairou District Government. According to an article published in Tianshan Net in September 2022, private and state-owned enterprises from the industrialized provinces are strongly incentivized to move into the Uyghur Region, establishing industrial parks and satellite factories, transferring lands of the local people, and employing transferred "surplus labor" to their production facilities inside and/or outside of the Uyghur Region.

As for companies operating in the Uyghur region, various government entities facilitate the employment of state-imposed labor transfers. These entities include, but are not limited to, the <u>Xinjiang State-owned Assets Supervision and Administration Committee</u>, the <u>Xinjiang Department of Industry and Information Technology</u>, and the <u>Department of Housing and Urban-Rural Development</u>. The main body that coordinates between enterprises and local state agencies in assigning state-imposed labor transfers is the Xinjiang Poverty Alleviation and Development Office, which also works with the <u>All-China Federation of Industry and Commerce</u> to bring private enterprises to the southern part of the Uyghur region in <u>preparation for job transfers</u>. The Xinjiang <u>Department of Human Resource and Social Management</u> has a system called the "<u>rural laborer job transfer management system</u>," which monitors every worker in real time, with assigned personnel to update information about the worker.

The State-owned Assets Supervision and Administration Commission (SASAC) plays a crucial role in overseeing the financial and operational aspects of (SOEs) in China, including those located in regions like Xinjiang. Considering labor transfers and their relevance, asset management departments hold a significant position in the overall landscape. Their oversight of SOEs' financial well-being and regulatory adherence could potentially impact decisions related to labor transfer and forced labor practices. The level of scrutiny and control exercised by these departments over SOEs' activities underscores their potential influence on labor-related initiatives and policies, especially within the framework of state-owned enterprises operating in Xinjiang.

For instance, the XPCC SASAC manages and oversees the SOEs of XPCC. The director, appointed by the Xinjiang Uygur Autonomous Region government, leads the XPCC SASAC and reports to the Xinjiang Uygur Autonomous Region SASAC. The China New Construction Group Cooperation (or China Xinjian), which is the name XPCC uses in its economic activities, has more than 2900 subsidiaries operating within and outside the Uyghur Region. Current Chairman Li Yifei is the Deputy Secretary of the CPC Xinjiang standing committee, a member of the 20th Central Committee, and a Political Commissar of XPCC. The findings of several reports and research articles detail how XPCC-owned state enterprises are complicit with the forced labor practices across the Uyghur Region. The XPCC was sanctioned by the United States Department of Treasury on July 30, 2020, under Global Magnitsky Sanctions. However, its parent agency, neither the Xinjiang State-owned Assets Supervision and Administration Commission, are sanctioned by the United States or any other countries concerned with the Uyghur forced labor. Many companies that are owned by Xinjiang SASAC are complicit with Uyghur forced labor, participating in family visits, and receiving transferred laborers.

For example, Xinjiang Zhongtai Group, owned by the Xinjiang SASAC, sent a group of representatives, led by the Deputy Secretary of the Party Committee of Xinjiang Zhongtai Group, to stay in Siyek Village, Keriye County of Hoten, to participate in the "visiting family" program, along with the local CPC cadres. The company has received transferred laborers from the Southern part of the Uyghur region, with military-style uniforms, to work in its factories. For their commitment to the Communist Party and employment of transferred workers, several subsidiaries of Xinjiang Zhongtai, most of which are in the textile sector, received more than 25 million RMB subsidy from various government bodies, such as the Finance Bureau, Development and Reform Committee of the XPCC, Economic and Technological Development Zone Social Development Bureau, only in the first half of 2020, under notices such as "Notice on Effectively Doing a Good Job in Guaranteeing Employment Policies for the Organized Transfer of Surplus Labor in Urban and Rural Area."