

ABSTRACT

This article examines whether U.S. trade leverage over the People's Republic of China (PRC) between 1993 and 2001 was used, retained, or relinquished as an instrument for political and human-rights reform. It distinguishes three questions that are often conflated: whether trade conditionality existed; whether Beijing made concessions while such leverage existed; and whether stronger or longer-lasting conditionality would have produced greater democratization. The evidence supports the first proposition and partially supports the second, but does not establish the third. The strongest trade-linked conditionality appears in 1993–94, when renewal of most-favored-nation treatment was tied to specified human-rights benchmarks. By 1998–99, the Clinton administration had moved toward a separate-track strategy: human-rights pressure continued, while WTO accession and permanent normal trade relations (PNTR) were defended as mechanisms expected to foster reform indirectly through market opening, legal transparency, and integration. The final 2000 PNTR framework preserved human-rights monitoring and rule-of-law programs but did not condition continued normal trade treatment on specified democratic reforms.

A companion policy paper, “What Was Not Conditioned? PNTR/WTO, Political Leverage and Lessons for Future China Policy,” translates these findings into a framework for evaluating future economic conditionality. As that paper puts it: “The central policy question is not whether trade causes democracy, but when economic benefits create bargaining leverage, what conditions are realistically enforceable, and what happens to leverage once benefits become permanent.”

I. THE RESEARCH QUESTION

Debate over China's WTO accession is frequently reduced to a retrospective binary: either economic integration was expected to democratize China and failed, or the United States surrendered a decisive opportunity to force political reform. The documentary record supports neither proposition in such categorical form.

A more precise inquiry asks four questions:

1. What economic benefits did Beijing seek from the United States and the WTO system?
2. What political or human-rights conditions were actually attached to those benefits?
3. What concessions did Beijing make when conditionality or diplomatic pressure was applied?
4. What can, and cannot, be inferred about the counterfactual possibility of deeper political reform?

The distinction matters because leverage is not the same as outcome. A government can possess bargaining leverage without being able to compel regime-transforming concessions, and concessions can occur during a period of pressure without proving that trade pressure caused them.

II. 1993: A FORMAL EXPERIMENT IN CONDITIONAL TRADE

Executive Order 12850, issued on May 28, 1993, created an explicit conditional structure for the following year's MFN renewal. It required continued freedom of emigration and compliance with the 1992 prison-labor agreement and called for "overall, significant progress" in additional areas including political prisoners, adherence to the Universal Declaration of Human Rights, access to prisoners, protection of Tibetan religious and cultural heritage, and international broadcasting.

Primary source:

<https://www.presidency.ucsb.edu/documents/executive-order-12850-conditions-for-renewal-most-favored-nation-status-for-the-peoples>

This is the clearest period in which U.S. trade treatment was formally tied to defined rights-related benchmarks. By May 1994, the Clinton administration concluded that China had satisfied or substantially addressed the two mandatory conditions concerning emigration and prison-labor cooperation but had not achieved "overall significant progress" across all of the broader human-rights areas.

Clinton nevertheless renewed MFN. In his May 26, 1994 news conference, he acknowledged that the broader standard had not been met while identifying progress in emigration cases, prison-labor arrangements, adherence to the Universal Declaration, some dissident releases, information on Tibetan prisoners, and negotiations concerning broadcast jamming.

Primary source:

<https://www.presidency.ucsb.edu/documents/the-presidents-news-conference-1085>

The evidentiary lesson is limited but important: formal conditionality coincided with measurable compliance and concessions in at least some areas. The record is strongest for the two mandatory conditions because they were explicitly tied to renewal. For other concessions, temporal proximity and diplomatic pressure are evident, but direct causation is less certain.

III. 1994: DELINKING WITHOUT ENDING HUMAN-RIGHTS PRESSURE

The May 1994 decision marked a structural change. Clinton explicitly announced that human rights would be delinked from future annual MFN renewal. This did not mean that the administration abandoned human-rights diplomacy. It meant that normal trade treatment would no longer be conditioned annually on the benchmark package established in 1993.

That distinction becomes essential when interpreting later prisoner releases and treaty actions. Between 1997 and 1998, Beijing made several visible concessions or openings: Wei Jingsheng and Wang Dan were released and permitted to travel abroad; China signed the International Covenant on Economic, Social and Cultural Rights and later the International Covenant on Civil and Political Rights; UN human-rights mechanisms received access; and bilateral rule-of-law and religious exchanges expanded.

The available public record often links these developments to summit diplomacy, bilateral pressure, UN mechanisms, or broader engagement. It does not consistently link them to a threatened loss of MFN treatment.

IV. 1997–98: PRESSURE STILL PRODUCED RESULTS, BUT THROUGH DIFFERENT CHANNELS

The 1997–98 record demonstrates that delinking trade did not eliminate external leverage altogether.

Contemporaneous reporting described Wei Jingsheng's November 1997 release as the result of sustained U.S. pressure, including direct discussion by President Clinton with Jiang Zemin. Wang Dan's April 1998 release was widely interpreted as improving the atmosphere before Clinton's June visit, though Beijing denied a direct bargain.

The case of Bishop Zeng Jingmu offers stronger documentary evidence. The U.S. State Department later reported that Chinese officials told the U.S. ambassador that repeated requests from a visiting U.S. religious delegation and the Embassy had been taken into account in the decision to release him.

The lesson is not that pressure always worked. It is that diplomatic pressure sometimes produced identifiable concessions after the MFN linkage had already been removed. Therefore, the relevant comparison is not simply "conditionality versus no pressure," but different forms of leverage: trade conditionality, summit diplomacy, multilateral pressure, reputational pressure, and engagement.

V. 1999: WTO AND HUMAN RIGHTS BECOME EXPLICITLY SEPARATE TRACKS

By March 1999, the administration's position was explicit. Secretary of State Madeleine Albright said that the United States had determined that linking human rights and trade was not a good idea and believed better progress could be made in both when they were not linked. At the same time, she said progress on WTO accession was important.

Primary sources:

<https://1997-2001.state.gov/statements/1999/990301.html>

https://1997-2001.state.gov/policy_remarks/1999/990301_rubin_china2.html

State Department spokesman James Rubin separately rejected reports that WTO progress was being linked to human rights. Human-rights discussions with Premier Zhu Rongji were described as forceful and contentious, while WTO negotiations were treated as commercially focused negotiations intended to produce a viable accession agreement.

This separation was therefore not merely an accidental omission from the final agreement. It reflected an articulated policy theory: integration into the global economy could generate reform indirectly, while rights-related pressure would continue through other channels.

VI. WHAT BEIJING WANTED

The PRC had substantial interests at stake.

Permanent normal trade relations would remove the recurring annual U.S. review mechanism and provide a more stable basis for bilateral commerce. WTO accession would give China the rights and obligations of membership in the multilateral trading system, including nondiscrimination and access to dispute settlement, while providing foreign governments and firms greater predictability regarding China's market-opening commitments.

Beijing's own official responses to the 2000 PNTR votes are revealing. PRC statements described PNTR as important to implementing the bilateral WTO agreement and to establishing stable, long-term economic relations. Yet those same statements objected to human-rights-related provisions in the legislation as unacceptable interference in internal affairs.

This combination is analytically important. It shows both that the benefit was valued and that political conditions were resisted.

VII. WHAT BEIJING ACCEPTED

China did not enter the WTO without significant concessions. Its accession package included large tariff reductions, expanded agricultural and services access, broader trading and distribution rights, intellectual-property and investment commitments, transparency obligations, disciplines affecting state trading and administrative practices, and China-specific safeguard and review mechanisms.

WTO accession also required changes in the administration of trade-related law. Commitments concerning publication, transparency, uniform administration, and review of administrative action had institutional consequences beyond tariff schedules.

Chinese negotiator Long Yongtu summarized the logic in economic terms: China would comply with rules and open markets. Contemporary PRC accounts emphasized transparent and predictable economic regulation, reduced reliance on unpublished internal rules, and institutional changes needed for global economic integration.

These were real rule-bound commitments, but they were concentrated in economic governance. They did not require competitive national elections, independent political parties, broad press freedom, abolition of political detention systems, independent trade unions, or general judicial independence as conditions for maintaining market access.

VIII. WHAT THE 2000 PNTR LAW DID — AND DID NOT — DO

Public Law 106-286 granted the legal framework for permanent normal trade relations while creating important human-rights and oversight institutions, including the Congressional-Executive Commission on China, rule-of-law and civil-society programs, forced-labor provisions, and WTO-compliance reporting.

Primary source:

<https://www.govinfo.gov/content/pkg/PLAW-106publ286/html/PLAW-106publ286.htm>

The law therefore should not be described as ignoring human rights. A more accurate description is that it substituted monitoring, reporting, assistance, and targeted enforcement for the annual trade-status leverage mechanism.

During the PNTR debate, outside organizations and legislators proposed stronger conditions. Proposals included treaty ratification, steps toward dismantling reeducation through labor, improved access to Tibet and Xinjiang, review of political-prisoner sentences, stronger religious-freedom benchmarks, and recurring congressional review mechanisms.

These proposals demonstrate that alternative forms of conditionality were available for debate. Their existence does not prove that Beijing would have accepted them.

IX. THE THREE COMPETING HYPOTHESES

The evidence supports continued testing of three competing explanations.

Hypothesis 1: Leverage preservation.

Because Beijing highly valued stable trade relations and WTO accession, a staged process tying successive economic benefits to verifiable institutional reforms might have produced additional political concessions.

Hypothesis 2: Engagement-driven liberalization.

Conditioning or delaying PNTR/WTO might have weakened market reformers, reduced economic and legal opening, and strengthened actors opposed to reform. Economic integration itself could generate indirect pluralizing pressures.

Hypothesis 3: Limited political leverage.

The CCP leadership may have valued regime security more highly than the marginal economic benefits at stake, meaning that stronger political conditionality might have produced stalemate, retaliation, or failed accession rather than democratization.

The historical record does not settle among these hypotheses.

X. WHAT CAN BE CONCLUDED

Four findings are well supported.

First, the United States did experiment with explicit trade-human-rights conditionality in 1993–94.

Second, Beijing made measurable concessions during periods of both formal conditionality and later diplomatic pressure, although the causal mechanism differs by case.

Third, by 1999 the Clinton administration had consciously adopted a separate-track approach: commercially enforceable WTO conditions would focus on economic integration, while human-rights pressure would continue through other instruments.

Fourth, PNTR removed a recurring trade-status review mechanism while replacing it with monitoring and institutional oversight rather than a new automatic political-reform trigger.

The stronger claim — that retaining annual review or attaching democratic conditions to WTO accession would have democratized China — remains a counterfactual, not an established historical fact.

XI. RELATION TO THE COMPANION POLICY PAPER

The companion policy paper draws a practical lesson from this distinction. It states:

“Leverage should be measured before benefits become irreversible. Once a major economic concession becomes permanent, governments may retain sanctions, diplomacy, monitoring and reputational pressure, but they no longer possess the same bargaining instrument.”

That policy proposition follows from the historical sequence but goes beyond it. The scholarly record establishes what leverage existed, what was conditioned, what was separated, and what concessions occurred. The policy paper asks how future negotiators should evaluate similar choices without assuming that economic conditionality automatically produces democratization.

Companion paper:

<https://docs.google.com/document/d/1NzMYG46EXBGhhxlgQtcfJ9QOhKT6LptFQwehwtLhQ/edit>

RESEARCH STATUS

SUBSTANTIALLY RESOLVED / SUFFICIENT FOR PUBLICATION DRAFTING.

Remaining internal U.S. and PRC archival materials are non-blocking enrichment. They may refine the causal account but are not required for the principal findings stated above.

SELECTED PRIMARY SOURCES

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Editorial note: This paper separates documented historical findings from counterfactual claims and from Free China Movement policy implications. Citation upgrades must preserve that distinction and the approved institutional analysis.