

What Was Not Conditioned?

PNTR/WTO, Political Leverage and Lessons for Future China Policy

Policy Paper v1.0

Free China Movement

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EXECUTIVE SUMMARY

Between 1993 and 2001, U.S. policy toward the People's Republic of China moved from explicit annual trade-human-rights conditionality to permanent normal trade relations and WTO accession under a largely commercial set of enforceable obligations.

The historical record supports a careful conclusion: Washington possessed economic leverage that Beijing valued, and China made some measurable concessions under both formal conditionality and later diplomatic pressure. But the evidence does not prove that stronger trade conditionality would have produced democratization.

The companion scholarly study, "Trade Leverage, PNTR/WTO and Political Conditionality in U.S.–PRC Relations, 1993–2001," summarizes the historical finding this way:

"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."

This policy paper therefore does not argue for a predetermined answer. It identifies the design choices policymakers faced, the leverage that was available, the conditions that were proposed or adopted, and a framework for evaluating future cases.

Companion scholarly article:

https://docs.google.com/document/d/12h7ZOmw0cdL2ZsArAcaPg7Yf4tWp_ZI0tN56gS5UW8Q/edit

I. THE POLICY PROBLEM

Major economic benefits can serve several purposes simultaneously: economic growth, strategic engagement, legal harmonization, commercial opportunity, and bargaining leverage.

The 1993–2001 China case illustrates a recurring policy dilemma. If a benefit is expected to change political behavior indirectly after it is granted, policymakers may prefer integration. If the benefit is itself one of the strongest bargaining instruments available before it is granted, policymakers may prefer conditionality. Those approaches can conflict.

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.

II. WHAT CHANGED BETWEEN 1993 AND 2000

In 1993, Executive Order 12850 formally tied the following year's MFN renewal to specified rights-related conditions, including emigration, prison labor and broader human-rights progress.

By May 1994, the administration concluded that China had made progress in several areas but had not met the overall standard. President Clinton renewed MFN and announced that human rights would be delinked from future annual renewal.

Primary sources:

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

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

By 1999, the separation had become explicit policy. Secretary Albright said that the administration had concluded that linking human rights and trade was not desirable and that the two tracks could make better progress separately. The administration continued pressing political-prisoner, religious-freedom, Tibet and rule-of-law issues, while WTO negotiations focused on commercially viable accession terms.

Primary sources:

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

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

III. WHAT BEIJING VALUED

The economic benefit was substantial.

PNTR promised stable U.S. normal trade treatment without recurring annual Jackson-Vanik review. WTO accession offered participation in the multilateral trading system and more predictable access to other members' markets.

Beijing's own statements after the 2000 House and Senate PNTR votes treated permanent normalization as important to stable long-term economic relations and implementation of the bilateral WTO bargain. At the same time, PRC officials objected to rights-related provisions in the legislation as interference in internal affairs.

This is an important policy signal: the benefit was valued, and the political conditions were contested.

IV. WHAT THE UNITED STATES AND OTHER WTO MEMBERS OBTAINED

China accepted significant and enforceable commercial commitments: lower tariffs, expanded agricultural access, services opening, broader trading and distribution rights, intellectual-property obligations, transparency and publication requirements, and special safeguard and transitional-review provisions.

These commitments also pushed administrative and legal changes in trade-related governance.

The bargain therefore cannot accurately be described as the United States “giving China WTO membership for nothing.” The relevant policy question is narrower: why were enforceable conditions concentrated in commercial and administrative-economic areas rather than in political rights?

V. WHAT WAS NOT CONDITIONED

The final accession and PNTR structure did not make continued normal trade treatment automatically contingent on such measures as:

- competitive elections;
- independent political parties;
- broad freedom of political publication;
- abolition of political detention systems;
- independent trade unions;
- general judicial independence;
- release of specified categories of political prisoners;
- implementation of human-rights treaties as a continuing market-access condition.

Some of these ideas, or related benchmarks, were proposed during the PNTR debate. Congress instead adopted mechanisms including the Congressional-Executive Commission on China, human-rights monitoring, rule-of-law assistance, forced-labor enforcement and WTO-compliance reporting.

Primary source:

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

VI. WHAT THE 1993–94 EXPERIENCE SHOWS

The 1993–94 conditional period is the strongest evidence that formal economic conditionality could produce at least some measurable behavior.

China substantially addressed the two mandatory conditions concerning emigration and prison-labor cooperation before the 1994 renewal decision. Clinton also identified progress involving dissident releases, Tibetan prisoner information and broadcast-jamming negotiations.

This does not establish that extending conditionality would have produced democratic transition. It does demonstrate that specific, verifiable conditions can elicit discrete concessions when the benefit at stake is sufficiently important and when the requested action is within the government's willingness to bargain.

VII. WHAT THE 1997–98 EXPERIENCE SHOWS

After formal MFN delinking, pressure still sometimes produced concessions.

Wei Jingsheng and Wang Dan were released. China signed major human-rights covenants. International access expanded in some areas. The Bishop Zeng Jingmu case contains unusually direct evidence that Chinese authorities took U.S. requests into account.

These cases suggest that leverage does not disappear when trade conditionality ends. It changes form.

The companion scholarly article puts the distinction this way:

“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.”

VIII. THREE POLICY OPTIONS THAT WERE AVAILABLE IN 1999–2000

The historical record permits reconstruction of three broad approaches.

Option A — Unconditional permanent normalization plus separate rights pressure.

This is closest to the policy adopted. Its theory was that economic integration, information flows, market reform and legal transparency would create long-term pressures for openness while human-rights diplomacy continued separately.

Option B — Staged permanent normalization.

Economic benefits could have been released in defined stages after verification of specific institutional benchmarks. This would have preserved some bargaining leverage longer, but could also have slowed or destabilized accession negotiations.

Option C — Continued annual review.

The United States could have retained the recurring review structure. This preserved a formal leverage point but also created annual uncertainty and had an uneven record of producing concessions.

These are descriptive alternatives, not a ranking. The historical evidence does not establish that one would necessarily have produced greater democratization.

IX. A BETTER CONDITIONALITY DESIGN TEST

Future policymakers confronting a similar case can evaluate proposed conditions through six questions:

1. Is the economic benefit genuinely important to the recipient government?
2. Is the requested reform specific and verifiable?
3. Is the reform politically negotiable, or does the regime treat it as existential?
4. Can benefits be staged rather than made immediately irreversible?
5. Is there an independent verification mechanism?
6. What happens if the condition is not met — delay, suspension, partial benefit, or a different response?

This approach avoids two opposite errors: assuming that trade integration will automatically liberalize political institutions, or assuming that economic leverage can compel a government to concede on matters it regards as essential to regime survival.

X. LESSONS FROM THE CHINA CASE

The historical record supports several nonpartisan policy lessons.

First, leverage should be assessed before a benefit becomes permanent. 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.

Second, conditions should be distinguished by type. Commercial commitments, administrative-law reforms, prisoner releases, treaty ratification and competitive political reform have very different political costs and enforcement problems.

Third, monitoring is not the same as conditionality. The CECC and related mechanisms created important information and oversight capacity, but they did not reproduce the leverage of an automatic trade-status condition.

Fourth, engagement and conditionality are not mutually exclusive. The 1990s record contains examples of market engagement alongside diplomatic pressure and specific benchmarks.

Fifth, counterfactual claims require discipline. It is reasonable to ask whether unused leverage could have obtained more. It is not historically established that a different PNTR/WTO policy would have caused democratization.

XI. POLICY FRAMEWORK FOR FUTURE NEGOTIATIONS

For future large-scale economic normalization agreements involving authoritarian governments, policymakers can make the choice explicit before finalizing benefits:

- identify which benefits are reversible and which become permanent;
- separate commercial compliance from political and human-rights objectives;
- decide openly whether political objectives are conditions, parallel goals, or not part of the bargain;
- define measurable benchmarks where conditionality is used;
- specify independent verification;
- establish a graduated response for noncompliance;
- preserve periodic review where uncertainty is high;
- document the expected mechanism by which engagement is supposed to produce political effects if conditionality is rejected.

This framework does not dictate whether conditionality should be used in a particular case. It makes the tradeoff visible and testable.

XII. CONCLUSION

The 1993–2001 record shows that U.S.–PRC economic relations contained real bargaining leverage, real political demands, and real disagreements over whether those two should be connected.

By 1999–2000, Washington deliberately chose to pursue WTO accession and human-rights pressure largely on separate tracks. Beijing accepted unusually deep commercial and economic-governance obligations while resisting political conditions.

The policy significance lies in that design choice. Future governments facing comparable negotiations should identify, before benefits become permanent, which reforms are expected to arise indirectly from integration and which, if any, must be secured through explicit conditionality.

The companion scholarly article provides the full historical and evidentiary basis for this framework:

https://docs.google.com/document/d/12h7ZOmW0cdL2ZsArAcaPg7Yf4tWp_ZI0tN56gS5UW8Q/edit

RESEARCH BASIS

HPDR research checkpoint:

<https://docs.google.com/document/d/10jrBNNKr9nE9iK-XG6Y9zNIUCAIvSWXNr7u1lqJfSIM/edit>

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