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Genocide Decoupling:
Breaking the Slave Labor Supply Chains That Enable Fast Fashion

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TOPLINE POINTS

- ★ The rise of the multi-billion-dollar fast fashion empires of Shein and Temu has been enabled by access to free slave labor, exploiting Uyghur and other ethnic minorities in China's Xinjiang province and enriching the Chinese Communist Party.
- ★ Attempts by the U.S. to break Xinjiang cotton supply chains, such as the 2021 Uyghur Forced Labor Protection Act, have fallen short.
- ★ To decouple from slavery supply chains, the U.S. must improve enforcement; most importantly, the U.S. must address the *de minimis* loophole that allows hundreds of millions of packages annually to enter the country free from tariffs or customs inspections.

Fast fashion—an industry based on the quick turnaround of cheap, trendy clothing to meet fluctuating demand based on pop culture trends—has found its most fertile ground in the western Chinese province of Xinjiang. The fast fashion space is dominated by Chinese companies, such as Shein and Temu, that harvest raw cotton in Xinjiang, secure bulk orders with manufacturers to lock in volume discounts, and use highly efficient export supply chains to ensure a low cost for the consumer.

Companies tied to the Chinese Communist Party (CCP) have been credibly accused—by the United Nations, the U.S. government, and independent American think tanks (Kashgarian, 2022; Ordonez, 2021; Batha, 2020)—of using the Muslim minority Uyghur community in Xinjiang as enslaved or compelled labor in sourcing the raw cotton for clothing production. These assertions are fortified by media reports and government documents originating within the CCP itself (Ordonez, 2021).

Despite the 2021 enactment of the Uyghur Forced Labor Protection Act (UFLPA), the U.S. imports tens of billions of dollars' worth of goods from these app-based Chinese fast fashion retailers, effectively sponsoring the continued enslavement of a brutally repressed minority population at the mercy of the CCP.

The U.S. must bolster enforcement of the UFLPA, eliminate the *de minimis* shipping loophole that allows millions of packages to arrive unchecked at our ports, and move against the Shein and Temu apps themselves to decouple from the genocidal supply chains that make this lucrative trade possible.

The Rise and Staggering Scale of Shein and Temu

The fast-fashion Chinese behemoth Shein was founded in the city of Nanjing in 2008 by Chris Xu, a U.S.-born entrepreneur and search engine optimization specialist. In just a few years, Shein went from being a low-cost Chinese apparel merchant to a global, online-only fashion juggernaut, with sales rocketing during the COVID-19 pandemic from $3.15 billion in 2019 to more than $30 billion in 2022, with an estimated valuation exceeding $100 billion (Li, 2021; Samanta, 2023; Kathiala, 2023). The company filed for an initial public offering (IPO) in November 2023 (Perretti, 2023).

The statistical data serve as a powerful illustration of Shein's rise:

- Shein's market share of American fast fashion sales ballooned from 18 percent in March 2020 to 40 percent in March 2022 (Beyrouthy, 2023).
- By November 2022, Shein's 50 percent fast fashion market share in the U.S. put it well ahead of established brands like H&M at 16 percent and Zara at 13 percent (Kaur, 2023).
- In 2022, Shein was the most downloaded platform for beauty and fashion across the U.S. smartphone application marketplace (Yltävä, 2023).
- With 27 million app downloads, Shein's 2022 numbers more than doubled second-place Nike's 12.5 million downloads (Yltävä, 2023).

Shein has pioneered an innovative business model, exclusively producing for and marketing to overseas customers based on a reliable and compact supply chain concentrated in the Guangdong garment manufacturing region (Kathiala, 2023). The company leverages Instagram and TikTok influencers and the associated discount codes they promote to legions of young customers. Following in Shein's footsteps, Temu has rapidly grown in the U.S. market over the past year, expanding beyond fashion into a vast array of consumer goods and electronics.

America Awakens to Slave Labor Supply Chains and Congress Responds with UFLPA

Cotton produced in the Xinjiang Uyghur Autonomous Region (XUAR) is the first link in the supply chain that makes the fast fashion phenomenon possible. It is integral to the economic piece of what both the Trump (Pamuk & Brunnstrom, 2021) and Biden (Hudson, 2021) administrations have designated a "genocide" of the Turkic Muslim majority in Xinjiang province. As many as 1.8 million Muslims may have been interned in CCP "re-education centers" in Xinjiang, with the U.S. Department of Labor estimating that 100,000 Uyghurs and other ethnic minorities may be working as forced laborers in China (CECC, 2020; U.S Department of Labor, 2021).

The footprint of Xinjiang cotton is massive, with a 2022 federal report estimating that cotton from the region accounted for roughly 87 percent of China's production and 23 percent of the global supply in 2020 and 2021 (Masters, 2023a).

Xinjiang cotton often makes its way to U.S. shores through third parties, complicating the ability to map supply chains. Some of the world's largest producers of cotton clothing and consumer goods, including Vietnam, Malaysia, Cambodia, and Bangladesh, import large quantities of finished fabric from China, which then makes its way to the U.S. from suppliers in those countries (Masters, 2023a). In fact, the most recent data published by the U.S. Customs and Border Protection (CBP) show that 87 percent of all denied shipments with Chinese inputs originated in Vietnam or Malaysia (Egan et al., 2023).

Increasing public awareness since 2020 of the slave labor problem in Xinjiang and broad support for congressional action resulted in the 2021 passage of the Uyghur Forced Labor Protection Act (UFLPA), but enforcement has proven an enormous challenge. The following key data points provide a narrative of this evolution:

- On March 11, 2020, the Congressional-Executive Committee on China (CECC) announced the introduction of UFLPA legislation and released a groundbreaking report titled *Global Supply Chains, Forced Labor, and the Xinjiang Uyghur Autonomous Region* (CECC, 2020).
- On June 17, 2020, the Uyghur Human Rights Policy Act (2020) was signed into law, instructing the director of National Intelligence (DNI) and Federal Bureau of Investigation (FBI) to begin investigations on Uyghur internment camps and their potential products, but the act lacked any enforcement mechanism.
- In January 2021, Secretary of State Mike Pompeo released his final report on human rights abuses in China, explicitly referring to crimes in Xinjiang as "genocide" (Pompeo, 2021).
- In July 2021, House members formed a bipartisan caucus on Xinjiang and Uyghurs (Mucha, 2021).

- In December 2021, The Uyghur Forced Labor Prevention Act (UFLPA), supporting the enforcement of the prohibition of products manufactured in Xinjiang, was signed (UFLPA, 2021.).
- June 2022 saw the implementation (Blinken, 2022) of the UFLPA, the application of "rebuttable presumption" (explained later) to Xinjiang goods, and the initiation of the UFLPA Entity List, which included 10 entities engaged in the cotton, textiles, and apparel trade (U.S. DHS, n.d.-d).
- In February 2023, Senators Bill Cassidy (R-LA), Elizabeth Warren (D-MA), and Sheldon Whitehouse (D-RI) wrote an open letter to Shein's CEO seeking information on its alleged sourcing of Xinjiang cotton based on findings in a Bloomberg investigation (Castile, 2023).
- In March 2023, the United States House Select Committee on Strategic Competition between the United States and the Chinese Communist Party held a prime-time hearing dedicated to "The Chinese Communist Party's Ongoing Uyghur Genocide" (Select Committee, 2023a).
- On May 2, 2023, House China Select Committee Chairman Representative Mike Gallagher (R-WI) and Ranking Member Representative Raja Krishnamoorthi (D-IL) wrote a pointed letter to Shein's CEO demanding accountability for the continued flow of cotton sourced from the XUAR into the U.S. (Select Committee, 2023b).
- Also in May 2023, a group of two dozen U.S. representatives led by Jennifer Wexton (D-VA), John Rose (R-TN), and Earl Blumenauer (D-OR) called on the Securities and Exchange Commission (SEC) to block the apparently imminent initial public offering of Shein (McLymore, 2023).
- In June 2023, the House China Select Committee released its interim report linking fast fashion to Xinjiang and the Uyghurs (Select Committee, 2023c).
- On June 8, 2023, Senator Marco Rubio (R-FL) raised the alarm to his Senate colleagues that Shein was hiring D.C. lobbyists to protect its illegal business and repair its reputation (Rubio, 2023a).
- On July 11, 2023, the CECC held a hearing titled "Corporate Complicity: Subsidizing the PRC's Human Rights Violations," which covered the cotton trade and *de minimis*-related UFLPA enforcement concerns (Corporate Complicity, 2023).

The import of goods made from forced labor has been prohibited by U.S. law for decades, namely in section 307 of the Tariff Act of 1930 (Casey, 2023), with enforcement assigned to the CBP. The UFLPA was meant to augment and close loopholes in existing law. However, underfunding, the sheer volume of imported material, abuse of the *de minimis* provision (discussed later), and the unique challenges to transparency and accountability posed by the totalitarian nature of the CCP regime have proven to be insurmountable in recent years.

Shein and Temu Are Culpable Under the UFLPA

If implemented successfully, the UFLPA would effectively block XUAR-sourced cotton from Shein, Temu, and other fast fashion companies from reaching American shores. The most important innovation under the law is a "rebuttable presumption" provision, meaning that the burden is no longer on CBP to prove that goods have been made by forced labor. Instead, "any goods, wares, articles, and merchandise mined, produced, or manufactured wholly or in part" in the XUAR should be assumed to be the product of forced labor unless proven otherwise by "clear and convincing evidence" (UFLPA, 2021). This puts the full burden on the importers. The rationale is that a wide range of organizations (referenced earlier) have found slavery to be pervasive in the XUAR and that a lack of CCP transparency makes it impossible for the U.S. government to verify otherwise.

Both Shein and Temu have failed to abide by the UFLPA, either neglecting to impose required standards upon themselves or taking actions that actively obfuscate independent verification.

Despite Shein's claimed commitment on its website to "responsible sourcing of cotton" (Shein, n.d.), the U.S.-China Economic and Security Review Commission (USCC) noted that investigations in 2022 showed that Shein failed to declare that it had sourced cotton from Xinjiang (Kaufman, 2023). Also, a 2023 select committee interim report found that Shein cotton apparel sourcing practices appeared to be in direct violation of UFLPA (Select Committee, 2023).

Shein is among the companies that contract with Oritain, an isotopic testing company headquartered in New Zealand, to verify the origin of cotton in their supply chains (Masters, 2023a). However, Senator Marco Rubio noted that Shein touted its supposed compliance by announcing that third-party analyses found that only *some* of its cotton came from Xinjiang, which, in fact, amounted to an admission of guilt (Rubio, 2023a). Also, some third-party auditors have reportedly pulled out of Xinjiang for fear that CCP restrictions, pressure, and interference have made them de facto enablers of illegal labor practices in the province (Xiao, 2020).

Shein began lobbying the federal government in 2022, hiring the firms Akin Gump and Hobart, Hallaway, and Quayle, allegedly to protect its tax and trade loopholes, including the *de minimis* provision discussed later (Rubio, 2023a). Some lobbying is normal in clothing and other industries, but Shein's efforts have been notably aggressive. Shein spent $600,000 on federal lobbying during the second quarter of 2023 (U.S. Senate, 2023), up from a first-quarter total of $230,000 (Kennard, 2023). That $600,000 represented more than 38 percent of the nearly $2.2 million spent by the entire clothing manufacturing industry that quarter (Kennard, 2023).

Shein has used other measures to deter enforcement and preserve its image, such as a relocation of its headquarters from China to Singapore in 2022, although its garments are still made in China (Anderson, 2022). In June 2023, Shein shamelessly enlisted TikTok and Instagram influencers to tour one of its Guangzhou factories to produce propaganda claiming that conditions were "normal" and workers were "chill" (Smith, 2023).

Meanwhile, Temu flagrantly conducts no audits and claims no existing system to examine and ensure compliance with the UFLPA. An analysis by an Israel-based firm, Ultra Information Solutions, found several items that were easily traceable to Xinjiang in either material sourcing or manufacturing of Temu products (Prasso, 2023). Shockingly, as recently as May 2023, a product explicitly labeled "New Handmade Knitted Cotton Pendant with Xinjiang Cotton" was available for sale on Temu (Select Committee, 2023c).

The only preventative measure that Temu reportedly takes is having its suppliers agree to boilerplate terms and conditions that prohibit the use of forced labor (Select Committee, 2023c). This "Third Party Code of Conduct" makes no mention of Xinjiang, the UFLPA, or any other provision of law (Temu, n.d.).

Furthermore, Temu admitted that it "does not expressly prohibit third-party sellers from selling products based on their origin in the Xinjiang Autonomous Region" (Chi-Sing, 2023). Temu denies responsibility for these 80,000 mostly China-based sellers because Temu is "not the importer of record with respect to goods shipped to the United States" and asserts that the prohibitions within the Tariff Act of 1930 and the UFLPA "do not apply directly to Temu's activities as an online platform operator" (Brotherton-Bunch, 2023).

Despite this record of deception, Shein and Temu were able to send about 210 million packages to the U.S. in 2022 in defiance of the UFLPA (Select Committee, 2023c).

The gaping *de minimis* loophole

By far, the most challenging obstacle to successful enforcement of the UFLPA that would help break the "genocide supply chains" linking Xinjiang slavery to American consumers is the abuse of the *de minimis* provision on imports. The provision allows importers to avoid inspections and customs duties on incoming packages valued under a certain dollar amount.

Enacted in section 321 of the Tariff Act of 1930, the *de minimis* rule was originally meant to provide an administrative exemption for returning travelers and bona fide gifts with a threshold of $5. In 1994, the threshold skyrocketed from $5 to $200, and in 2015, it was extended again to a whopping $800 (Benoit, 2021), sold as a means to empower the

American consumer in an internet-based commercial landscape based on the Amazon model of shipping directly to the buyer.

The language in the U.S. Code plainly states that Congress's purpose for *de minimis* is "to avoid expense and inconvenience to the Government disproportionate to the amount of revenue that would otherwise be collected" (Tariff Act, 2022). Instead, the Coalition for a Prosperous America warns that it has "morphed from a tiny customs administrative exception into a backdoor superhighway through our ports" (Benoit, 2023). U.S. House Committee on Ways and Means Chairman Jason Smith (R-MO) identified *de minimis* as our de facto "free trade agreement with China" (Ways and Means Committee Republicans, 2023). The abuse of *de minimis* is skyrocketing, with customs data indicating that in 2022, more than 10 percent of Chinese imports by value arrived as *de minimis* shipments, up from under one percent a decade ago (Zumbrun, 2022).

Abusing *de minimis* regulations, online retailers often pack one shipping container from China with hundreds of individual packages destined for hundreds of individual customers who then legally become individual "importers," all operating under the nose of CBP because rarely do those individual purchases exceed $800.

The U.S. threshold is by far the highest in the world, inviting exploitation, with the European Union's set below $200 and China's at a tiny $7. For perspective, Shein's average order value in 2022 was $75 (Sander, 2023), while Temu reportedly averaged $35 per order as of January 2023 (Tech Buzz China, 2023).

Because of the overwhelming volume of small packages and lack of actionable data, in 2022, CBP cleared more than 685 million *de minimis* shipments, admitting they had "insufficient data to properly determine risk" (U.S. DHS, 2023). Shein and Temu accounted for an estimated 210 million, or 30 percent, of those shipments, amounting to 600,000 packages per day (Masters, 2023b).

The *de minimis* loophole and other enforcement challenges make the jobs of the CBP and the multiagency Forced Labor Enforcement Taskforce (FLETF) nearly impossible.

Enforcement Challenges Faced by the CBP and the FLETF

CBP enforcement is facilitated by the interagency Forced Labor Enforcement Taskforce (FLETF) (U.S. DHS, n.d-a). The FLETF, chaired by the Department of Homeland Security (DHS) Under Secretary Robert P. Silvers, published an official strategy to enforce the UFLPA in June 2022 and updated it in August 2023 (U.S. DHS, n.d.-a). It included a comprehensive assessment of the risk of goods produced by forced labor, the creation of the UFLPA Entity List, the designation of high-priority sectors for enforcement, plans to identify and trace effective goods, and guidance to importers and plans to cooperate with appropriate non-governmental organizations (NGOs). Notably, neither the 2022 nor 2023 strategies explicitly mention the *de minimis* loophole (U.S. DHS, 2023).

The CBP also released *UFLPA Operational Guidance for Importers*, which outlines best practices, emphasizing the importer's responsibility under the rebuttable presumption standard and outlining penalties (U.S. DHS, 2022).

A related FAQ recommends that importers take the following measures to ensure that goods and listed entities are not involved in their supply chains. Shein and Temu have failed to meet most or all these standards (U.S. CBP, n.d.-a).

- Engagement with suppliers and other stakeholders to assess and address forced labor risk;
- Mapping of the supply chain and assessment of forced labor risks along the supply chain from raw materials to production of imported goods;
- Written supplier code of conduct forbidding the use of forced labor and addressing the risk of use of Chinese government labor schemes;
- Training on forced labor risks for employees and agents who select and interact with suppliers;
- Monitoring of supplier compliance with the code of conduct.

With scant resources and hundreds of millions of packages to evaluate, the task force's scope is necessarily limited. The strategy states that enforcement will take a "risk-based approach, dynamic in nature, that prioritizes the highest-risk goods based on current data and intelligence" (U.S. DHS, n.d.-a.) With limited funding, however, it is questionable whether this prioritization is based on solid analysis and only a tiny fraction of packages are inspected, regardless.

The CBP did prove it was possible to identify and interdict contraband effectively—for example, finding that 27 percent of tests performed on seized shoes and garments in May 2023 showed links to cotton from Xinjiang (Masters, 2023a). This is determined through isotopic testing, a sort of "DNA test for cotton," which links cotton to specific geographic areas by analyzing the concentration of stable elements such as carbon and hydrogen present in both the crop and the environment in which it has been grown.

For additional perspective on UFLPA enforcement, it is useful to review the critique of the CECC, which has been a prime mover behind the UFLPA, from laying the intellectual groundwork to the conception, introduction, and passage of the bill itself to following up on enforcement. The CECC has stated that aggressive enforcement was "key" to the UFLPA's effectiveness but that the tasks assigned were "daunting" (CECC, 2023b).

On April 11, 2023, Representative Christopher H. Smith (R-NJ) and Senator Jeff Merkley (D-OR), the Chair and Co-chair, respectively, of CECC, along with Senator Marco Rubio (R-FL) and Representative James P. McGovern (D-MA) raised the alarm, releasing a letter to task force Chair Silvers flagging concerns about implementing and enforcing the UFLPA.

On April 18, 2023, the CECC held a hearing dedicated to evaluating the implementation of the UFLPA (CECC, 2023b). Chair Smith expressed concern as to whether the rebuttable presumption standard was being fully implemented, encouraged an expansion of the thus far "spartan" entity list of bad actors, and questioned whether CBP was using isotopic and DNA testing to its fullest potential to identify banned goods. He also confirmed that Chinese companies are shipping products to third countries to infiltrate U.S. markets surreptitiously. Representative Jennifer Wexton (D-VA) flagged the *de minimis* shipping loophole, noting that vendors do not have to report basic data, such as country of origin and manufacturer if the claimed value is less than $800 (CECC, 2023b).

Smith also reported that between the June 2022 implementation of the UFLPA and April 2023, CBP targeted 3,588 shipments worth $1 billion U.S., but only 490, or less than 0.13 percent of total shipments, were actually denied entry into the U.S. market (CECC, 2023b). The rest were either released into the U.S. or are currently pending review. Apparel and textile products—valued at just $3 million—made up 291 of the 490 shipments denied entry by CBP (CECC, 2023a).

FLETF Chairman Silvers appears to be doing an admirable job with the limited resources and purview allotted to him, but his responses to CECC concerns have been vague and equivocal. In a June 9 letter to the CECC, he claimed that UFLPA enforcement had been "speedy and strong" and the rebuttable presumption reviews "thorough" but provided no numbers to back this up (CECC, 2023d). He stated that the task force was committed to expanding the UFLPA Entity List but that only two new companies had recently been added. On the problem of transshipment, the promise was to provide more reports. On the most important vulnerability, *de minimis*, he said that UFLPA applied to all importations regardless of value but provided no suggestion on how to successfully screen hundreds of millions of small-value packages if vendors are not required to report the relevant data.

In his July 11, 2023, testimony before the CECC, Silvers' tone was more modest and realistic, admitting challenges because the UFLPA mandate came without additional funding for CBP enforcement efforts or work on the Entity List (Corporate Complicity – testimony, 2023). He also acknowledged that despite "rebuttable presumption" putting the legal burden on importers, "many in the trade community may not have sufficient resources or mechanisms to identify indicators of forced labor in their supply chains."

Sen. Marco Rubio (R-FL), author of the UFLPA, has been harsh in his criticism, especially on the law's entity list. On June 9, he criticized the two new entries announced as "a drop in the bucket" and expressed skepticism that so many other companies had ostensibly proven that their Xinjiang supply chains were free of slave labor (Rubio, 2023b). On September 26, 2023, he accused the DHS of foot-dragging on its enforcement of UFLPA, reacting to an announcement that three more entities would be added to the entity list, the first additions since the two in June. "There are potentially thousands of China-based companies and entities complicit in slave labor—the current pace of implementation suggests that it could take DHS decades to fully enforce the law," Rubio said (Rubio, 2023b).

The passage of the UFLPA was a great moral victory with moderate dividends in the form of deterrence, and attempted enforcement by CBP and the FLETF has been commendable. However, both those tasked with enforcement and those tasked with oversight agree that efforts have fallen short.

Recommendations

A systematic plan to resolve the problem of fast fashion genocide supply chains should progress on three main fronts: improving administration and bolstering enforcement of the ULFPA by Customs and Border Protection and the task force, solving the *de minimis* loophole, and banning the Shein and Temu apps themselves.

Improving administration

Again, the CECC has led the way in analyzing gaps in enforcement and proposing solutions, and the following administrative recommendations in their 2022 annual report are essential. They include:

- Regular updates to the UFLPA list of entities complicit in forced labor by the FLETF.
- Robust funding from Congress for CBP enforcement of import restrictions.
- Sanctioning of individuals involved in labor trafficking.
- Issuing a report on forced labor and the U.S. government's procurement process.
- Directing the Securities and Exchange Commission (SEC) to require issuers of securities to disclose whether they have maintained activities with entities involved in forced labor in the XUAR.
- Encouraging foreign governments and legislatures to adopt legislation or regulations modeled on the UFLPA.

As part of the expansion of the UFLPA entity list, Shein and Temu themselves should be added to it. Shein's inability to credibly self-test its cotton sources, along with Temu's open admission that it does not require its suppliers to prove slavery-free supply chains, disqualifies them from the presumption of innocence. Also, when considering that most Xinjiang cotton is processed in southeast Asia or transshipped through third countries, designating and sanctioning Shein and Temu themselves is the only way to ensure compliance.

In addition, encouraging foreign governments to adopt their own versions of UFLPA is essential to reduce the transshipment options available gradually.

It is notable that the UFLPA also allows for sanctioning individuals, as well as denial or revocation of visas for non-U.S. individuals under the International Emergency Economy Powers Act (IEEPA) (Gibson Dunn, 2022).

Solving the de minimis *loophole*

The *de minimis* loophole must be addressed, seeing as it is central to the explosive growth of the CCP-based fast fashion industry. As with many features of CCP exploitation of U.S. civil institutions, the *de minimis* loophole has no perfect or immediate solution. Instead, the space in which Shein and Temu are able to operate must be steadily decreased until it is gone. These are potential measures:

- Lower the *de minimis* threshold from $800 back to the $200 mark of less than a decade ago. This would mark a significant drop and indicate seriousness on the part of the U.S. government but would still leave enough room to facilitate relatively valuable transactions and require fewer resources for enforcement.
- Institute a reciprocal *de minimis* standard—i.e., the U.S. threshold would match the threshold of our trading partner. Reciprocity is a principle that potentially resonates with the general public as the fairest approach and is easy for voters to understand.
    - The De Minimis Reciprocity Act of 2023, introduced by U.S. Senators Tammy Baldwin (D-WI) and Bill Cassidy, M.D. (R-LA), would bar Chinese imports from exploiting customs procedures while reducing the *de minimis* thresholds for other trade partners to levels that match their policy for U.S. exports to their country
- Eliminate *de minimis* treatment for specifically designated countries. This has precedent in state laws and proposed federal laws that bar certain problem countries, including the CCP, from acquiring agricultural land. It may assuage fears that a sudden change to *de minimis* across the board would create chaos or economic damage:

    - For example, the Import Security and Fairness Act introduced by U.S. Senators Marco Rubio (R-FL) and Sherrod Brown (D-OH) would end *de minimis* treatment for goods from China and Russia (Rubio, 2023c).
- Eliminate *de minimis* entirely. This is sure to destroy the current business model of Shein and Temu, but detractors claim it would create insurmountable bureaucratic challenges at ports of entry and depress economic activity.

Banning the Shein and Temu apps

The Shein and Temu smartphone apps are essential to facilitating the hundreds of millions of U.S. purchases of Xinjiang cotton-linked garments. With 27 million downloads in 2022, Shein ranked as the top fashion app of the year. Banning apps has proven difficult, but there are precedents in the U.S. and abroad.

TikTok, another CCP-based app, has come under intense scrutiny for extensive data collection and accusations of spying and espionage. A full ban of TikTok has yet to pass the U.S. Congress, but serious inroads have been made via executive action at the federal and state levels (Savit & Hood, 2023). Federal government employees and military servicemembers, along with state employees in at least 37 states, may not install TikTok on their government-issued phones (Hood, 2023). In addition, the state of Montana has banned the presence of the app completely (Archie, 2023).

Federal and state-level executive actions should be promoted to limit access to the Shein and Temu apps as well. Shein and Temu not only use their apps to traffic apparel produced with slave labor but also have the same access to American user data as TikTok. Shein offers discounts in exchange for users connecting their social media accounts, making them more vulnerable to data harvesting. Moreover, like TikTok, both companies are ultimately beholden to leverage from the totalitarian CCP.

Notably, the Indian government in June 2020 banned the Shein app, among 59 apps, including TikTok and WeChat, that it deemed “prejudicial to sovereignty and integrity of India, defence of India, security of state and public order” (Phartiyal, 2021).

Conclusion

The rise of Shein and Temu’s multi-billion-dollar fast fashion empires has been lightning-fast. Shein was founded only 15 years ago, with revenue skyrocketing in only the last five years. That means that these trends can also be reversed quickly by changing the conditions that allow them to thrive.

Their profitability is enabled by access to free slave labor in Xinjiang, which must be countered by bolstering enforcement for the UFLPA. Their access to U.S. markets is enabled by immediate app-based access to their everchanging catalogs, and their ability to ship hundreds of millions of small packages to American consumers is thanks to the *de minimis* loophole.

This multifaceted challenge is new and difficult, but it is within the reach and ability of U.S. policy to decouple from the genocide supply chains that taint the fast fashion marketplace.

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