

# VOGUE BUSINESS

FASHION

## Shein wants in with fashion students. Not so fast

The fast fashion giant wanted to send \$40,000 scholarships to a design school in LA. It was met with protests — and the students aren't the only ones pushing back against Shein.

BY CHRISTINA BINKLEY



Lexy Silverstein, who is studying business, marketing and fashion at the Fashion Institute of Design and Merchandising, recalls feeling “horrified” when the Los Angeles school this year created \$40,000 full-tuition scholarships for a dozen design students. The scholarships are being paid for by Shein, the ultra-fast fashion company that has been flooding the United States with its cheaply-made products.

“How can a school that has been named and promotes itself as one of the top 10 most sustainable fashion schools in the world, then partner with a company that is potentially the biggest fast fashion polluter on the planet?” Silverstein asks. She started a Change.org petition asking FIDM to discontinue its partnership with Shein. It has so far garnered about 4,300 signatures – more than double the size of the university’s student body.



The petition represents the dilemma that sustainability enterprises the world over confront as the funding they desperately need comes from the very sources of the problem they hope to solve. Fast fashion maker H&M, for instance, has emerged as a major source of sustainability research and startup funding — from clothing recycling to circularity programmes — as it seeks to redress the mountains of fashion piling up in dumps in Ghana, Chile and elsewhere. But, if H&M has created a flood of fast fashion, Shein is responsible for a tsunami of an estimated 1.3 million cheap garments per year, many of which quickly wind up in landfills or worse.

With a business strategy suspected of a litany of abuses, the Singapore-based company has also been accused of and sued for copying and stealing designs from brands, small designers and artists. It has been accused of human rights abuses, largely because of the stunningly low prices that raise questions about how labour could be fairly paid to make, for instance, the \$1.06 tube top or \$8 skinny jeans that Shein was recently listing on its website. In a threat to Shein's strategy, a US congressional group is seeking to cancel a loophole in tariff rules that allow Shein to avoid paying tariffs for its US imports.

Shein, which vehemently denies accusations of human rights abuses, has embarked on aggressive public relations and lobbying initiatives to counter its bad press and regulatory threats. It has hired renowned lobbying firms Hobart Hallaway & Quayle Ventures, and Akin Gump Strauss Hauer & Feld, paying them \$770,000 since the third quarter of 2022, according to the firm's filings.





Shein's efforts to create a more positive image go far beyond lobbying, seeking to address the myriad concerns of consumers, small designers and the human rights and sustainability communities who have been making accusations against Shein. Not all of those efforts have been successful. An expense-paid tour this June of influencers through a squeaky clean Chinese factory went virally off the rails and led some of the influencers to apologise and end their association with Shein. The company is making further inroads into American retail: on Thursday, it was announced Shein would acquire one-third of Forever 21's parent company Sparc Group, in a deal said to one day bring in-store Shein shops to Forever 21 stores across the country.

However, the company last year pledged \$50 million toward sustainability initiatives, including a \$15 million grant to the Or Foundation that, one year in, is proving to be effective in helping to manage the impact of apparel waste in Ghana.

Shein recently began working with Queen of Raw, a New York-based platform that connects sellers and users of leftover textiles and other products, helping to create a more circular supply chain for apparel makers.

"We started this company to solve a problem," says Queen of Raw founder Stephanie Benedetto. "If we are not working with people who have the problem with sustainability of textiles, then what are we doing?"

Benedetto says she approached Shein, in fact. "I went to Shein assuming they would have a ton of deadstock to sell," she says. But Shein operates on a small-batch, just-in-time supply chain that minimises waste. "Actually, they need to buy deadstock," she says. "You make these assumptions about companies and then you talk to them and you learn."





Shein's connection to FIDM stems from the 20 school alumni who work in Los Angeles at the company's US headquarters. When Shein approached FIDM about funding scholarships, the school's administration recognised a dilemma. Do you bite the hand that might feed you?

While the school has received large endowments in the past, the \$480,000 was the biggest cash offer for a single year that the school has received, says Barbara Bundy, FIDM's vice president of education. The cash-strapped school had been hard hit by the Covid pandemic and in trying to recover, this year entered into a long-term partnership with Arizona State University.

What's more, the scholarship includes an opportunity to sell the students' collections on Shein.com, via the company's SheinX programme, which itself is an effort to work with small independent designers, countering allegations that the company copies their designs. "This is on-the-job training" for FIDM students, Bundy says.

Still, concerns posed by faculty dragged out the discussions. "We discuss it all the time because it's a push-pull," Bundy says. "If you just limit yourself to working with somebody that is like Patagonia

or others that are so sustainable, that's not fair, either — because we can't make that decision for our students or alumni, [about] what they're going to do after they graduate."

Silverstein says the controversy has made its way into the classroom, with one of her teachers asking students to suggest solutions during a class discussion. "For me, the end goal is to end the partnership," Silverstein says, suggesting she would like to provide the school with a list of potential alternative partner brands. "It isn't going to go away for me."

Recognising that the partnership could be problematic at a school with a highly marketed sustainability focus, administrators took care to weed out students who might take the money and run without completing a collection that is to be sold on Shein as the final step of the scholarship. FIDM created a vetting process that included essays, seeking assurance that winners would carry through to the end. "These students had to apply for it and they have to follow through on it. They can't just say, 'Oh well, I don't want to do this anymore because I don't believe in what (Shein is) doing,'" Bundy says.

Shein sees the scholarships as a potential source of new designs and new talent to feed its prodigious supply chain.

Peter Pernot-Day, Shein's head of strategy and corporate affairs in the US, says he believes the student protest is "based on some misperceptions about our business model".



“People think we’re massively producing clothes. Really what we’re doing is producing clothes to meet actual measured demand,” he says. He pushes back on criticism about the low quality of Shein clothes, which makes them so disposable. “Just because clothing comes in at a low price point doesn’t mean that it was necessarily low quality,” he says.

Silverstein, however, would like FIDM to find other sponsors for the scholarships. She is planning a student protest. “Of all the brands they could have chosen, Shein was the absolute worst one,” Silverstein says. “It makes it seem like students condone what Shein is doing.”