

Legal Solutions to the Thrifting Business that is Discomposed Indonesian Citizens



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ABSTRACT: The thrifting business is recently popular in Indonesia. Because of the profits that they can achieve from selling second-hand goods reach up to tens millions Rupiah. Some people consider thrifting as an effort to preserve the environment and extend the valuable life of an object. On the other hand, these used goods have the risk of carrying pathogenic bacteria that may transmit various diseases, which can exacerbate the post-pandemic period while it has not fully recovered yet. In actuality, some second-hand goods have been outlawed for decades. However, the smuggling of these goods has resulted in disadvantages for the State of Indonesia and violations of applicable laws and regulations. In addition, the rise of the thrifting business has reduced the absorption of domestically-made clothing production and had several other negative impacts. Therefore, the authors are interested in researching the regulations governing thrifting businesses and its on sustainable business and the environment. This research was conducted using a normative juridical approach. The results of the research indicate that laws and regulations related to the thrifting business need to be monitored to ensure they can effectively implement these regulations and cultivate a healthy and sustainable economic, and it also can provide solutions to problems related to thrifting

KEYWORDS: Thrifting Business, Legal Solution, MSMEs, Sustainable Environment

I. INTRODUCTION

Fast Fashion is a business model in the clothing industry that is founded on rapid production and the rapid evolution of fashion trends. Fast Fashion refers to the practice of clothing companies to produce fashion items quickly and inexpensively in order to satisfy fluctuating consumer demand. In the rapid fashion industry, new products are introduced frequently and frequently adhering to fashion trends. This is one of the leading causes of fashion waste pollution, which can cause environmental damage such as water pollution, soil contamination, and greenhouse gas emissions that can contribute to climate change¹.

A program known as the Sustainable Development Program (SDGs) has been implemented to reduce environmental damage that endangers the quality of life. The Sustainable Development Goals (SDGs) program is a set of goals for sustainable development to improve the global standard of living. The program was established by the United Nations to deal with social and economic problems in a country by embracing inclusive development and preserving environmental quality for subsequent generations.

Thrifting is an excellent approach to promoting environmental sustainability, elevating community financial security, and promoting inclusive development while advancing the SDGs program. Thrifting is a term that refers to the activity of finding and buying used or second-hand goods that are still in usable condition. The main goal of thrifting is to acquire products for significantly less than the standard price. On top of that, purchasing used products reduces textile waste and prolongs the useful life of these items.

The phenomenon of thrift has become recognized around the world, particularly among the younger generation. The growing phenomenon of thrifting coincides with global concerns regarding climate change and the environmental impact of the fashion industry. The majority of people choose thrifting as a sustainable alternative to clothing purchasing. They realized that

¹ Jennifer Purnomo Fiona May Leman, Soelityowato, "Dampak Fast Fashion Terhadap Lingkungan," *Seminar Nasional Envisi 2020: Industri Kreatif*, no. Industri Kreatif (2020), https://www.uc.ac.id/envisi/wp-content/uploads/publikasifpd/ENVISIFPD-2020-P128-FIONA_MAY_LEMAN_SOELITYOWATI_JENNIFER_PURNOMO-DAMPAK_FAST_FASHION_TERHADAP_LINGKUNGAN.pdf.

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purchasing used products contributed to the reduction of textile waste and decreased the demand for new, environmentally damaging production.

This lifestyle began to emerge in the United States between the mid-1800s and early 1900s, coinciding with the rise of the Salvation Army and Goodwill².

Beginning with the trading of used products with the intention of raising funds for charity or social activities, thrifting industries have evolved. Buffalo Exchange has become the first thrift store in the United States to successfully establish its 17th branch in each state. Starting in 1990, thrifting evolved into a fashion statement. It began with a public figure, Kurt Cobain, who indirectly promoted the thrifting style. In 2000, thrifting became an emerging practice and a popular industry.

In Indonesia, the thrifting industry has existed for many decades. Initially, this business was conducted conventionally in traditional markets such as Senen Market in Jakarta, Johar Market in Semarang, Tiwindu Market in Solo, Gedebage Market in Bandung, and Veterans Flea Market in Makassar. Subsequently, thrifting is currently handled online through e-commerce or social media platforms such as Instagram, TikTok, and Facebook.

At present, the secondhand clothing industry phenomenon in Indonesia has been increasing in fame. Referring to the results of a Goodstats survey on the fashion preferences of young Indonesians taken between August 5 and 16, 2022, and involving 261 respondents, the majority of respondents, approximately 49.4%, acknowledged that they had purchased used clothing from thrift stores³.

In Indonesia, thrifting business is no longer a solution for environmental issues, but a new problem faced by Indonesian citizens. According to data from the Indonesia Central Bureau of Statistics, the amount and value of used items of clothing imported into Indonesia has been increasing annually. In 2019, imported used clothing reached 392 tonnes, with a total worth of \$6.08 million. Meanwhile, in 2021, the Indonesia Central Bureau of Statistics documented that Indonesia imported only 8 tonnes of used clothing worth \$44,000 under the HS 6309 tariff heading (secondhand clothing and other secondhand products). Nonetheless, according to the Trade Map website, as reported by Kompas, Indonesia imported 27,420 tons of secondhand clothing with the total value of \$31.95 million in 2021. The information provided is taken from data on used clothing exports recorded by exporting countries. This indicates that there are discrepancies in the figures, which raises suspicions that large quantities of used clothing are illegally imported into Indonesia⁴. Furthermore, commonly used products imported into Indonesia have a risk of transmitting pathogenic fungi or viruses that can cause a variety of diseases in the Indonesian population.

In light of this unfortunate event, the Indonesian government prohibit thrifting business in 2021 on the basic concept that thrifting is a business that infringes the law. This is due to the fact that the thrifting industry is the result of illicit imports or smuggling. Moreover, business actors selling imported secondhand products are seen as disruptive to the domestic textile industry in Indonesia.

In accordance with these circumstances, the authors are interested in doing research about the regulations of thrifting businesses, and then the impact of thrifting businesses to MSME businesses and the sustainable environment. And also about the legal solution to the thrifting businesses that is discomposed Indonesia Citizen.

2. METHOD

This legal research is additionally referred to as normative legal research or doctrinal legal research. This form of legal research focuses its study on law by examining law to represent a comprehensive system consisting of an assortment of legal principles, legal norms, and legal regulations (written and unwritten)⁵. This research was conducted using a statute approach and a conceptual approach. The statutory approach to research is research conducted by analyzing all laws and regulations regarding related issues⁶. This study will focus on the laws and regulations regulating thrifting activities. While research with a conceptual approach departs from the views and doctrines that have developed in the science of law, providing conception to legal notions, legal concepts, and legal principles that apply to related issues, conceptual research is research that departs from the views and doctrines that have developed in the science of law⁷. In this particular case, there are issues regarding the activity of thrifting.

² Muhammad Farid A. Edy Suherli, "Mengenal Fenomena Thrifting Di Indonesia: Dari Pengertian Hingga Masalah Yang Ditimbulkannya," VOI, 2023, <https://voi.id/lifestyle/263786/fenomena-thrifting-di-indonesia>.

³ Nada Naurah, "Menilik Preferensi Fesyen Anak Muda Indonesia," Good Stats, 2022, <https://goodstats.id/article/menilik-preferensi-fesyen-anak-muda-2022-sqOFi>.

⁴ (Saputra, 2022)

⁵ Achmad Ali, *Menguak Tabir Hukum* (Jakarta: Kencana, 2015).

⁶ Peter Mahmud Marzuki, *Penelitian Hukum (Edisi Revisi)* (Jakarta: Kencana, 2019).

⁷ Peter Mahmud Marzuki.

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Primary legal material is authoritative legal material. This can be in the form of statutory regulations, official documents or treatises in creating legislation, or judge's rulings. Primary legal material is considered to be the most important type of legal material⁸. Textbooks, legal dictionaries, law journals, and commentaries are exemplary Secondary Law Materials. Secondary Law Materials are all legal publications that do not constitute official documents that address the fundamental principles of legal science and the viewpoints of qualified scholars and comments on judicial decisions.

For the purpose of facilitating data interpretation and comprehension of the analysis results, this study engages qualitative data analysis through the use of quality descriptions in the form of regular, coherent, logical, indistinguishable sentences⁹.

3. PRINCIPLE OF INTERNASIONAL TRADE

3.1. Basic Principler of Internastional Trade

An international agreement is a legal act which all parties concur to be legally bound to achieve the purposes agreed upon in the agreement. The international component of the agreement resides in its legal substance. Countries, international trade organizations, and individuals from various countries are the legal constituents of international agreements. Unquestionably, in order to become a legal subject in an international agreement, a person must be able to defend his/her rights and obligations before the national judiciary, also referred to as a capable legal subject.¹⁰

International agreement is one of international law source¹¹. One of the international businesses agreement that frequently engaged is export-import business agreement or it usually called as international trade agreement. The fundamental principles of international trade law apply to international trade and export-import agreements. These principles include the freedom of the parties to the contract, the principle of *pacta sunt servanda*, and the principle of employing arbitration¹².

On the principle of freedom of contract, the parties are free to carry out the kinds of contracts agreed upon. The parties are free to choose the method of dispute resolution if there is a problem or dispute between the parties in the future and choose the law that will be applied to the contract. Nevertheless, this principle of freedom of contract may not be in conflict with the law, the public interest, decency and morality, or any other conditions that have been set forth by each legal system.

According to the *pacta sunt servanda* principle, the parties in the agreement are obligated to complete the accomplishments in the agreement that were agreed before agreeing by the parties. This is due to the fact that a legally binding agreement serves the same function for the parties who make it as a law does.

Because the idea of resolving disputes by arbitration is applicable in international trade, whenever a disagreement or a problem emerges as a result of international trade, the parties involved must reach an agreement to settle the issue through an arbitration forum.

In addition, international trade is a legal act that takes the form of an agreement, even when the parties to the agreement are located in different countries. However, in order for an agreement to be deemed valid, the agreement must fulfil the requirements for the validity of the agreement outlined in Article 1320 of the Indonesian Civil Code. The following conditions must be met for an agreement to be considered valid :

- a. there must be an existing agreement between the parties to the agreement;
- b. the parties must be capable of agreeing;
- c. the agreement must concern a specific thing; and
- d. there must be a lawful purpose.

Legal consequences If the terms of an agreement do not match the conditions of the agreement as stated in Article 1320 of the Indonesian Civil Code, has two consequences; thus, (1) the agreement can be cancelled, or (2) the agreement is null and void.

The legal consequences of violating an agreement seem substantially distinct depending on the circumstances. Cancellation of an agreement is an option if the agreed-upon conditions and/or capable conditions do not get satisfied (these are examples of subjective requirements). On the other hand, if the agreement does not satisfy the requirements of a particular subject and/or the requirements concerning a legal cause, then the agreement will be rendered invalid and unenforceable¹³.

⁸ Peter Mahmud Marzuki.

⁹ Ishaq, *Metode Penelitian Hukum Dan Penulisan Skripsi, Tesis, Serta Disertasi* (Bandung: Alfabeta, 2017).

¹⁰ Adolf Huala, *Hukum Perdagangan Internasional* (Jakarta: PT. Raja Grafindo, 2006).

¹¹ Harry Purwanto, "Keberadaan Asas *Pacta Sunt Servanda* Dalam Perjanjian Internasional," *Mimbar Hukum* Volume 21, no. 1 (2009): 155.

¹² Huala, *Hukum Perdagangan Internasional*.

¹³ Subekti, *Hukum Perjanjian* (Jakarta: PT. Intermasa, 1987).

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3.2. Participant in International Trade

Nations, international trade organizations, and/or individuals residing in various nations are all considered to be participants in international trading or export-import activities. Persons who have reached the age of adults and are not under the care of a guardian or custodian are considered to be natural persons (*natuurlijk persons*) and legal entities, also known as persons constituted by law (*recht person*) both have the ability to engage in activities related to international trade.¹⁴

According to their legal status, business actors in international trade or export-import activities can be divided into two categories: legal entities, such as limited liability companies, cooperatives, and BUMN, and non-legal entities, such as corporations, limited partnerships, and sole proprietorships¹⁵.

The criteria for companies based on ownership are divided into two. Thus, individual companies are owned and run by one particular person, and partnership firms are held by multiple individuals cooperating. When a firm is held by two or more persons in a partnership arrangement, their responsibilities and obligations for each of the companies they own differ depending on the structure of the business organization¹⁶.

Individuals or businesses classified under the category of micro, small, and medium enterprises (MSMEs) are the most common thrifting business actors. According to Law No. 20 of 2008 Concerning MSMEs, "MSME actors" are defined as business actors owned by people and/or individual business entities that comply with the criteria of small and medium micro-enterprises.

3.3. The Criminal Definition of Smuggling Trade

In international trade agreements, also known as export-import, illicit activities frequently occur in the form of smuggling products prohibited from entering a country. According to Baharuddin Loppa, smuggling is "importing and delivering commodities without complying with applicable laws and regulations or without completing customs formalities (*douaneformaliteiten*) required by law¹⁷.

In terms of thrifting, a greater emphasis is placed on criminal acts that occur when products are imported, also known as imports. In accordance with Article 102 of Law No. 17 of 2006 Juncto Law no. 10 of 1995 concerning Customs, the criminal offence associated with import activities is smuggling in the import sector. This applies to anyone who:

- a. Transports imported goods that are not listed on the manifest in accordance with Article 7A paragraph 2.
- b. Unloading imported products outside the customs area or in other locations without the permission of the customs office's director.
- c. Unloading imported items not included in the customs notification
- d. Unloading or stockpiling imported products still under customs control in locations that are not designated and/or permitted.
- e. Illegally hiding imported products
- f. Releasing imported goods whose customs obligations have not been settled from the customs area or from a bonded storage place or other places under customs control without the approval of a customs official, resulting in the non-payment of state levies pursuant to Article 17 of Law No. 17 of 2006 Concerning Customs
- g. transporting imported goods from temporary storage or bonded storage that do not reach the customs office of destination and cannot prove that this was beyond their control; or
- h. intentionally notifying the wrong type and/or quantity of imported goods in the customs notification shall be subject to imprisonment for a minimum of 1 (one) year and a maximum of 10 (ten) years and a minimum fine of Rp. 50,000,000.- and a maximum of Rp. 5,000,000,000.

This formulation of the application of criminal sanctions indicates that the perpetrators of the criminal act of smuggling are subject to the application of imprisonment on the one hand and fines on the other¹⁸.

4. IMPACT AND LEGAL SOLUTION OF THRIFTING BUSINESSES TO THE INJURED INDONESIA CITIZEN.

4.1. History of Thrifting

The history of thrifting begins with the industrial revolution of the 19th century, which introduced the world to mass production of clothing at an era when clothing was very less costly, and people had a consumerist light and considered clothing

¹⁴ Huala, *Hukum Perdagangan Internasional*.

¹⁵ Huala Adolf dan Rabiansyah Pratama, *Prinsip Hukum Perdagangan Internasional* (Bandung: PT. Refika Aditama, 2018).

¹⁶ Pratama.

¹⁷ Yudi Wibowo Sukinto, *Tindak Pidana Penyelundupan (Kebijakan Formulasi Dan Sanksi Pidana)* (Jakarta: Sinar Grafika, 2013).

¹⁸ Arifa Filza Yaneski, "Implementasi Kebijakan Penanganan Penyelundupan Pakaian Bekas Di Provinsi Riau, Indonesia," *Journal of International Relations* 4, no. 2 (2018): 295–302.

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as reusable. This ends up resulting in the accumulation of used products, which are eventually used by immigrants. In an attempt to minimize the accumulation of used goods, non-governmental organizations (NGOs) established the Salvage Bridge in 1897 to collect and distribute used clothing to disadvantaged communities. This paved the way for the expansion of the second-hand store industry.¹⁹

When the Great Depression impacted the United States in 1920, many people were laid off and, therefore, not able to afford clothing. For them, thrifting activities become a purchasing option²⁰. This is proven by the mere existence of Buffalo Exchange, one of the thrift stores in the United States, which has successfully opened its 17th branch and has 49 stores throughout the United States.

The 2000s symbolized a new era for the thrift store industry. In addition to traditional markets, thrift stores are now an integral part of a large industry. In addition, with the development of technology and conveyance, used clothing circulates not only within a country but also between nations. This is the origin of the term import thrifting, although some Indonesians believe it refers to buying imported used clothing.

Several members of Generation Z who are aware of global issues related to the fashion industry, which is a significant contributing factor to environmental destruction, have made thrifting a symbol of the sustainable style statement movement. In accordance with the 5P principles of the Sustainable Development Goals, which are intended to create a life free of poverty, a protected environment, and peace and prosperity that can be thoroughly enjoyed by everyone, it is hoped that the thrifting business will further extend the life of goods, thereby reducing clothing waste. These include the following:

1. **People** is a core value pertaining to the fulfilment of basic human requirements, such as the need for food, health, a decent standard of living, as well as education and gender equality.
2. **Planet** is a principle relating to the need for international community cooperation to protect the earth from destruction through the implementation of water management, production patterns, and responsible consumption, as well as issuing policies that provide environmental and ecosystem protection.
3. **Prosperity** is a principle that is comprehended through economic development, and it is expected that its actualization can involve every participant (government, business people, society) and uphold justice in order to ensure people can live economically, socially, and technologically prosperous lives in harmony with nature.
4. **Peace** is the principle of striving for a society free of fear and violence, which includes minimizing threats, terrorism, and conflict in order to establish a peaceful community life.

Partnership is a principle that requires collaboration between all actors (in this particular case, the government, the private sector, and global society) for the purpose of achieving all of the SDGs' goals.²¹

4.2. Thrifting Business Regulation in Indonesia

According to Richard Burton Simatupang, business is the entire activity conducted out by a person or entity on a regular and continuous basis, consisting of procuring goods for services or facilities to be traded, exchanged, or leased for a profit²². While the concept of thrifting refers to the practice of discovering and purchasing used products, thrifting is also a way of life²³. In other words, the thrifting business is a continuous business activity that occurs when a person or business entity acquires used products and offers to resell those items to consumers in general in order to generate a profit.

The Government of Indonesia has provided an opportunity for thrift business actors through the registration of this business on Online Single Submission (OSS) with the code Indonesian Business Field Standard Classification (KBLI) Number 47742 for the retail trade of used clothing, footwear, and clothing accessories, which includes clothing retail trade business, used footwear, and clothing accessories, such as used clothes, used pants, used coats, used scarves, and used hoop earrings.

However, second-hand clothing imported in significant amounts from countries such as the United States, China, Japan, and South Korea is frequently sold in the thrifting industry in Indonesia. Approximately 500 items of clothing are enclosed in sacks

¹⁹ Farid Firdaus Alinda Hardiantoro, "Thrifting Sedang Digandrungi, Bagaimana Asal-Usulnya Di Indonesia?," 2023, <https://www.kompas.com/tren/read/2023/03/18/083000665/thrifting-sedang-digandrungi-bagaimana-asal-usulnya-di-indonesia-?page=all>.

²⁰ Dita Nita, "Thrifting Impor Kini Dilarang Di Indonesia, Ini Makna Dan Sejarah Thifiting," *Kompas*, 2023, <https://www.kompas.tv/article/389020/thrifting-impor-kini-dilarang-di-indonesia-ini-makna-dan-sejarah-thrifting>.

²¹ Anonym, "Apa Saja Prinsip 5P Dalam Sustainable Development Goals," 2023, <https://blog.olahkarsa.com/apa-saja-prinsip-5p-dalam-sustainable-development-goals/>.

²² Dkk Indra Muchlis Adnan, *Hukum Bisnis* (Yogyakarta: Trussmedia Grafika, 2016), https://repository.uir.ac.id/5665/1/15.HUKUM_BISNIS.pdf.

²³ dan Asidigisianti Surya Patria Anggie Arta Mevia Setiyana Putri, "Perancangan Referensi Gaya Berpakaian Thrifting Melalui Feed Instagram," *Jurnal Barik* 3, no. 2 (2022): 125.

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and wrapped in wire, shaped into a large ball. The act of acquiring second-hand goods imported from abroad is a legal act in the form of an international agreement that is part of worldwide trade. Therefore, in order to determine the validity of the agreement, it must fulfil the prerequisites for the validity of the agreement outlined in Article 1320 of the Indonesian Civil Code, namely:

- a) there is a binding agreement among the parties who make the agreement;
- b) the parties are capable of committing to agreements, which means they can be held responsible for the consequences of their actions in court.
- c) regarding a specific matter, the object agreed upon by the parties is both apparent and certain with regard to the object and the amount.
- d) a lawful reason, specifically that the conditions of the contract do not violate public order, decency, or the law.

When viewed from the perspective of international trade relations, the international element of international agreements resides in the agreement's theme, which relates to transactions between parties from various countries. Parties in international trade are individuals from various nations or between nations. Therefore, the sources of international trade law apply to the export-import agreement in the form of international agreements, international customs, general principles of law, judicial decisions, and scholarly opinions. Additionally, international commerce must comply with the country's national laws.

The thrifting business in Indonesia does not have any specific regulations. However, export-prohibited and import-prohibited goods are regulated by Minister of Trade Regulation Number 18 of 2021, which was subsequently amended by Minister of Trade Regulation Number 40 of 2022 regarding Amendments to Minister of Trade Regulation Number 18 of 2021. In terms of prohibited imported goods, they are regulated by Article 2 of Minister of Trade Regulation Number 18 of 2021:

- a. Prohibited Import of Goods in the form of sugar of a particular type;
- b. Prohibited Import of Goods in the form of rice of a particular type;
- c. Prohibited Import of Goods in the form of substances that destroy the ozone layer;
- d. Prohibited Import of Goods in the form of used bags, sacks, and clothes;
- e. Prohibited Import of Goods based on a cooling system that use Chlorofluorocarbon (CFC) and Hydrochlorofluorocarbon 22 (HCFC-22) both empty and filled;
- f. Prohibited Import of Goods in the form of certain medicinal and food ingredients;
- g. Prohibited Import of Goods in the form of hazardous and toxic materials (B3);
- h. Prohibited Import of Goods in the form of hazardous and toxic waste (B3 waste), and registered non-hazardous and toxic waste (non-B3 waste); 2021, No.297;
- i. Prohibited Import of Goods in the form of hand tools (finished form); And
- j. Prohibited Import of Goods in the form of medical devices containing mercury, as listed in Appendix II which is an integral part of this Ministerial Regulation.

In which means that the thrifting business, which acquires commodities through importation from abroad, is prohibited in Indonesia, as stipulated in Article 2 letter d. Because these items fall under the category of products whose importation into Indonesia is prohibited.

This is a result of the fact that it belongs to the category of fashion junk and has a risk of being hazardous to health, safety, and the environment. Importing used clothing thus becomes unlawful or against the law.

In addition, purchasing and selling transactions in the export-import of used clothing for the acquisition by or on behalf of a thrifting business are insufficient to meet the requirements for the validity of the agreement outlined in Article 1320 of the Indonesian Civil Code, which is related to the requirements for a legal cause. In which the conditions of the agreement are not in violation of public order, decency, or the law. The agreement states the importation of used clothing from abroad. Thus, the objects in the agreement are prohibited by laws and regulations, specifically Regulation of the Minister of Trade Number 18 of 2021 regulating goods prohibited from export and goods prohibited from import, and Regulation of the Minister of Trade Number 40 of 2022 amending Regulation of the Minister of Trade Number 18 of 2021. In other words, used clothing import agreements signed by thrifting business actors are invalid because they fail to fulfil the objective requirements for an agreement's validity.

Furthermore, it is unlawful to get involved in activities associated with the importation of second-hand goods since these actions have violated the Law No. 10 of 1995 regarding Customs and the Law No. 17 of 2006 regarding Amendments to Law No. 10, where importers in these activities constantly import goods from the customs area or other locations without authorization from the head of the customs office and illegally disguise imported goods so that this action can be classified as a criminal act of smuggling and subject to criminal sanctions in accordance with Law No. 10 of 1995 regarding Customs and Law No. 17 of 2006 regarding Amendments to Law No. 10 of 1995.

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As stated in Article 102 of Law No. 17 of 2006 Juncto Law No. 10 of 1995 pertaining to Customs, smuggling is described as the act of importing and delivering goods to an island without following through with the applicable laws and regulations, or without complying with the customs formalities (*douaneformaliteiten*) required by the laws.

Along with that, the government has to take a role as a policymaker in further controlling this phenomenon of thrifting, taking into consideration the health, safety, and environmental impacts of this phenomenon from a variety of perspectives. Because it is undeniable that thrifting activities are exploding and becoming a way of life.

4.3. The Impact of the Thrifting Business to the MSME and the Environment Sustainable

It is untenable to separate the phenomenon of thrifting from the influence of social media as a marketing medium and information about thrifting. In Indonesia, the thrifting industry has been influenced by social media publicity. This also influences small and medium-sized enterprises and the environment.

In the thrifting industry in Indonesia, numerous conventional stores sell second-hand goods that are spread throughout the nation. With the development of technology, the thrifting business has no longer been handled in a conventional way but instead in a modern way, whereby purchases are carried out through e-commerce or social media platforms such as Shopee, Tokopedia, Lazada, Instagram, Facebook, and Tik Tok.

According to the Surakarta City Government website, three factors contribute to the popularity of thrifting among Indonesians:

- a. There is innovation in clothing design when utilizing second-hand items.
- b. Thrift store items are less expensive than brand-new items.
- c. Since thrifting reduces the amount of clothing that is discarded, it can be viewed as an environmentally responsible industry.²⁴

The thrift store's mission is to protect the environment from increasing clothing waste caused by the fast fashion industry. Additionally, the thrifting business has positive impacts, including:

1. There is efficiency in the allocation of money used for clothing requirements, thereby reducing costs.
2. Increasing concern for the environment by prolonging the life of these items and implementing the principles of reducing, reuse, and recycling.
3. Providing business opportunities for the community reduces the unemployment rate in Indonesia²⁵.

In spite of having a positive impact, the thrift store enterprise also has the following negative effects, such as:

1. The rapid development of a consumerist mindset within society
2. Clothing that remains uncertain to be hygienic since thrift stores are previously owned, imported items whose sanitation cannot be ensured.
3. Might lead to gentrification or social change, which generally occurs when the upper class uses resources established for the lower middle class.

In a nutshell, the thrifting business is considered an environmentally friendly shopping activity and a counterbalance to the fast fashion industry, which contributes to greenhouse gas emissions, because it sells usable used goods, thereby extending the useful life of these bundled goods. It is believed that the principles of reduce, reuse, and recycle have been applied through thrifting. The thrifting business is therefore considered to maintain a sustainable fashion industry, and by participating in thrifting business activities, it has taken an active role in preserving the environment by reducing waste from the developing fast fashion industry.

However, as time went by, the Bandung City Environment and Sanitation Service (DLHK) observed that used clothing or cloth debris accounted for approximately 14.46% of the daily waste total of 1,500 tons. According to the National Waste Management Information System (SIPSN) of the Ministry of Environment and Forestry, the amount of textile waste will reach 2,633 tons, or 2.6% of 29 million tons of waste, in 2021²⁶.

According to those data, the problem of thrifting in rapid fashion develops a new problem instead of resolving it. In addition, wasteful habits of consumption and even the addition of new waste-classifiable items were discovered. The concept of reduce, reuse, and recycling is invalid because an accumulation of waste and excessive consumption remained. Furthermore, the impact of buying and selling used clothes imported from abroad without defined rules and quality control could lead to problems in

²⁴ Agnia Primasasti, "Apa Bedanya Awul-Awul Dan Thrifting?," Website Pemerintah Kota Surakarta, 2022, <https://surakarta.go.id/?p=28804>.

²⁵ Damar Wibowo Nevita Ristiani, Usman Raidar, "Fenomena Thrifting Fashion Di Masa Pandemi Covid-19: Studi Kasus Pada Mahasiswa Lampung," *Sociologie: Jurnal Imiah Mahasiswa Sosiologi* 1, no. 2 (2022): 194, <https://jurnalsociologie.fisip.unila.ac.id>.

²⁶ (Saputra, 2022)

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coming years, particularly the transmission of diseases transmitted through sweat or skin excretion, such as leprosy, tinea versicolor, fleas, and chickenpox. Thus, thrift store products can be hazardous to consumers or users of used clothing.

On the other hand, rising interest in the thrifting industry can potentially adversely impact MSME actors' revenue, as they must contend with imported thrifting products. Given the fact that a number of thrift store items are illegally imported products, this can be detrimental to the state. This is important because Indonesia could potentially lose tax revenue. Therefore, it can be concluded that some products obtained through thrifting are the result of illicit goods²⁷. This is evidenced by the following Central Bureau of Statistics data on used apparel imports:

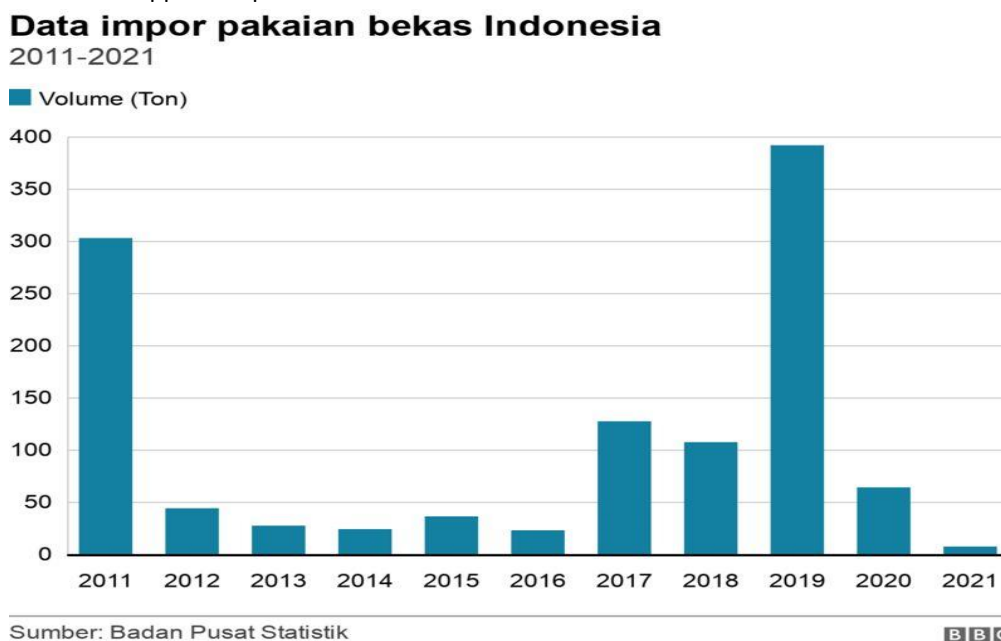


Figure 1. Used Clothing Import Data in Indonesia Since 2011-2021 By Central Bureau of Statistics

Source: BBC

Every year, the amount and value of used clothing imported into Indonesia elevate. Used imported clothing reached 293 tons, totalling \$6.08 million in 2019. In 2021, approximately 8 tonnes of used clothing valued at \$44,000 will be imported into Indonesia through the HS 6309 tariff (used clothing and other used products). However, according to the Trade Map website, as reported by Kompas, there is a discrepancy in the amount between the used clothing export data recorded by the exporting country, where 27,420 tons of used clothing with a total value of \$31.9 million were imported into Indonesia in 2021, and data from the agency statistics centre, which only amounted to 8 tons with a value of \$44,000 in the same year. Through rat ports in various regions, including Sumatra, Tembilahan, Riau, smuggling is carried out via vessels, which are subsequently shipped by land to the island of Java.²⁸

The conclusion that can be gathered from these data is that illegal thrifting can have an adverse impact on MSME actors who sell local goods. Small- and medium-sized enterprises (SMEs) selling locally-made goods have to contend with international imports of well-known brands. MSME actors are notified that their domestic goods are not going to sell well on the market. In the future, if there is no explicit regulation and quality control, it will become troublesome.

4.4. Legal Solution To The Thrifting Businesses That is Discomposed Indonesia Citizen.

Law is an instrument to regulate the society in social life. The purpose of Law is bring order to the society, to create order and peace in society and also to provide the legal certainty to the society. So there is no violation of the law or violation of the right of the society. However to determine that the law has been effective is to see the objective of the law has been achieved or not.

According to Soerjono Soekanto, there are some factors that influence the effectiveness of the law:²⁹

- a. The legal factor itself, where the law functions for justice, certainty and benefit
- b. Law Enforcement Factors, where the parties form or apply the law or law enforcement

²⁷ Rizky C. Septania, "Gelap-terang Industri Thrifting, Melihat Perputaran Bisnis Dari Duasisi," BBC News Indonesia, 2023, <https://www.trenasia.com/gelap-terang-industri-thrifting-melihat-perputaran-bisnis-dari-dua-sisi>.

²⁸ (Saputra, 2022)

²⁹ Nur Fitriyani Siregar, "EFEKTIVITAS HUKUM," *E-Journal STAI BARUMUN RAYA*, n.d., 1–16, <https://ejournal.stai-br.ac.id/index.php/alrazi/article/download/23/18>.

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- c. Facilities Factors that Support Law Enforcement, such as an educated and skilled human power, good organization, adequate equipment, sufficient finances and so on. If this is not fulfilled, it will be impossible for law enforcement to achieve its goals
- d. Community Factors, and Law Enforcement originates from society and aims to achieve peace in society
- e. Cultural factors, as a system (or subsystem of a social system), then law includes structure, substance and culture. Legal culture system basically includes the values that underlie the applicable laws, values which are abstract conceptions of what is considered good (until it is adhered to) and what is considered bad (so it is avoided). These values are usually pairs of values that reflect two extreme conditions that must be harmonized

The solution to the thrifting businesses that is discomposed Indonesia citizen, is that in forming laws and regulations relating to business thrifting activities, they must be able to cover all problems that will arise in the future related to thrifting activities. Beside that, law enforcement carried out by the government must also be strengthened, so that it can reduce the occurrence of smuggling of second-hand goods entering Indonesia. On the other hand, Indonesia Government needs to provide the good facilities to support the law enforcement, such as an educated and skilled human power, good organization, adequate equipment, sufficient finances and so on. If this is not fulfilled, it will be impossible for law enforcement to achieve its goals. Because if one of the factors that influence the effectiveness of the law is not met, then the law cannot function properly.

V. CONCLUSIONS

From the preceding discussion, it can be determined that thrifting business activities are considered an effort to deal with the fast fashion phenomenon, which can have detrimental ecological and medical impacts, including pollution and environmental damage.

The Indonesian government has provided opportunities for thrifting businesses through the Online Single Submission (OSS) system, yet with the ban on importing used goods through Ministerial Regulation Number 18 of 2021 concerning Export Prohibited Goods and Import Prohibited Goods, and it can be concluded that the permitted thrifting business is local.

In Indonesia, the thrifting industry has yet to explicitly be governed by a separate law pertaining to thrifting regulations. Only Ministerial Regulation Number 18 of 2021 concerning Export Prohibited Goods and Import Prohibited Goods governs the prohibition on importing used goods. This regulation was later amended by Minister of Home Affairs Regulation Number 40 of 2020 concerning Amendments to Minister of Trade Regulation Number 18 of 2021 concerning Limitations on Goods Allowed to Be Imported or Exported, which imposes restrictions on Goods that may be imported or exported. Moreover, in international trade (export-import), international agreements, international customs, general legal principles, judicial decisions, and scholarly opinions applied. Additionally, it must adhere to the country's national laws.

From an economic perspective, the thrifting industry has an adverse effect on the sustainability industry, as MSME business actors will experience a decrease in revenue as a result of being forced to compete with thrifting products imported from other countries at very low prices. Furthermore, the existence of a thrift store can harm the environment as a result of the significant amount of clothing waste that is produced.

The solution to the thrifting businesses is to fulfill all the factor that influence the effectiveness of the law such as make the good law to cover the future issue that will arise, and then the Law Enforcement Factors, and then provide facilities the support law enforcement, Society that supports the Law Enforcement, and the last is Cultural factors.

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