

Legal Protection and Regulation of Thrifting Clothing Businesses: An Analysis of The Legality of Business Permits in Magetan

Muhammad Daqvara Akbar

Law Science, Faculty of Law and Politic Science, Universitas Muhammadiyah Surakarta
c100200145@student.ums.ac.id

Diana Setiawati

Law Science, Faculty of Law and Politic Science, Universitas Muhammadiyah Surakarta
ds170@ums.ac.id

Jaka Susila

Law Science, Faculty of Law and Politic Science, Universitas Muhammadiyah Surakarta
Email: js287@ums.ac.id

Abstract

Clothing not only serves as a basic necessity but also becomes part of an individual's lifestyle and identity. Developments in fashion, globalization, and technological advances have driven the emergence of the thrifting trend, which is popular among the younger generation due to its affordable prices, unique designs, and vintage feel. In Magetan Regency, the thrifting clothing business is growing rapidly and becoming a promising economic opportunity. However, the practice of importing used clothing has a negative impact on the domestic textile industry and has the potential to reduce state revenues. Therefore, the government has banned the import of used clothing through various regulations. Nevertheless, thrifting activities are still permitted as long as the goods traded are sourced domestically and comply with applicable legal provisions. This study aims to analyze the legal aspects of the thrifting business in Magetan Regency, specifically regarding business licensing, distribution of used clothing, and legal sanctions for violations. The research method used is empirical law with a sociological juridical approach, through data collection techniques such as interviews, observation, and documentation. The results show that one business actor, the Merapithrifstore Thrifting Shop, has not met legal standards because it does not have a business license. Furthermore, the widespread practice of thrifting reflects a gap between legal norms and social reality. High market demand, weak law enforcement, and the government's persuasive approach are factors contributing to the persistence of this practice. Therefore, the effectiveness of regulation depends heavily on consistent law enforcement and increased public legal awareness.

Keywords:business legality, thrifting, licensing, law enforcement, Magetan

INTRODUCTION

Humans have a limitless variety of needs. When viewed from the perspective of importance, human needs are divided into three categories: primary, secondary, and tertiary. Primary needs are the basic necessities that must be met to sustain life, including clothing, food (eating and drinking), and shelter (shelter) [1]. Clothing as a primary need has experienced significant development along with changes in lifestyle and fashion trends[2]. Nowadays, fashion serves not only as a means of body covering, but also as a means of self-expression, image building, and social status symbol. This situation has driven increasing interest among people, especially the younger generation, in thrifting, or buying used clothing. Thrifting is considered to have various advantages, such as affordable prices, unique designs, good quality, and following retro or vintage trends [3]. Thrifting is also considered by society as a support fashion style [4]. In addition, this activity also allows consumers to obtain branded products at a relatively low cost [5]. In fact, from a social perspective, consuming thrifting clothes can shape self-identity, such as the impression of luxury and class as part of the motive for consumption goals [6]. On the other hand, buying and selling clothes is a part of socio-economic interactions that have long developed within society as a means of fulfilling life's needs. Thrifting also began to emerge during the COVID-19 outbreak, when people were afraid to socialize in person and preferred shopping through apps [7].

With the increasing popularity of thrifting, particularly in areas like Magetan Regency, this business has grown rapidly and become a promising economic opportunity for local entrepreneurs. However, the growth of thrifting has also brought various legal challenges. One major issue is the practice of distributing imported used clothing, which is prohibited by the government due to its potential to harm the domestic textile industry, disrupt economic stability, and pose health risks to consumers [8]. This prohibition is stipulated in various regulations that prohibit the importation of used clothing. On the other hand, not all thrifting businesses understand or comply with legal provisions regarding business licensing and distribution of goods, potentially leading to legal violations. This phenomenon indicates a gap between applicable legal norms and social practices in society. High market demand for thrifting products, weak supervision, and a lack of legal awareness among business owners are factors that contribute to the persistence of this practice. This situation creates an urgency to examine legal protection in the thrifting business, both for business owners who operate legally and for consumers who use the products. Based on this background, this study aims

to analyze the legal protection and regulatory aspects of thrifting businesses, particularly concerning business licensing in Magetan Regency.

In the Indonesian legal system, the sale and purchase of used goods must comply with applicable laws and regulations, reflecting the hierarchy of legal norms proposed by Hans Kelsen. Trade activities in Indonesia are primarily regulated by Law Number 7 of 2014 on Trade, which provides the legal framework for the distribution of goods throughout the country. Furthermore, provisions regarding imported goods are set forth in Law Number 6 of 2023 concerning the Enactment of Government Regulation in Lieu of Law Number 2 of 2022 on Job Creation into Law, which generally requires imported goods to be in new condition and prohibits the importation of certain goods designated as prohibited imports, including used clothing. This prohibition is emphasized in Regulation of the Minister of Trade Number 40 of 2022 concerning Amendments to Regulation of the Minister of Trade Number 18 of 2021 concerning Prohibited Export and Prohibited Import Goods, which explicitly states that used clothing is prohibited from being imported into Indonesia. On the other hand, aspects of consumer protection are regulated in Law Number 8 of 1999 concerning Consumer Protection, which prohibits businesses from trading goods that do not meet legal standards or requirements and could potentially harm consumers. Under these provisions, the sale of imported used clothing is unlawful because it violates trade and consumer protection regulations. However, thrifting practices can still be considered legal as long as the goods sold are not illegally imported and the business has complied with applicable regulations.

According to data from the Central Statistics Agency (BPS), the volume of used clothing imports in Indonesia in 2023 was recorded at 12,856 kg, equivalent to 12.85 tons, with an import value of IDR 501,974,812.00. This amount indicates a decline compared to 2022, when import volumes reached 26.22 tons. Nevertheless, a substantial increase was recorded in 2024, with imports totaling 240,960 kg (equivalent to 240.96 tons) and valued at IDR 1,326,629,584.89. This increase indicates that the importation of used clothing continues despite the government's prohibition. This is further evidenced by data from the Ministry of Trade of the Republic of Indonesia, which reported that in 2023, the value of illegally imported used clothing identified through enforcement actions reached IDR 501,974,812.00. Meanwhile, according to data from the Ministry of Cooperatives and Micro, Small, and Medium Enterprises of the Republic of Indonesia, the volume of used clothing imports in 2023 was recorded at around 12 tons. In 2024, this number experienced a sharp increase to around

3,600 tons, an increase of nearly 300-fold. In fact, by August 2025, total used clothing imports had reached around 1,800 tons. This data indicates a discrepancy between legal norms prohibiting the import of used clothing and actual practices. High market demand and weak oversight are factors that encourage the continued import and trade of used clothing, which has become a primary source of income for thrifting businesses. **Source:** Central Bureau of Statistics (2023–2025); Ministry of Trade of the Republic of Indonesia (2023); Ministry of Cooperatives and Micro, Small, and Medium Enterprises of the Republic of Indonesia (2024–2025).

The research problem focuses on the legal regulations for thrifting clothing businesses in Indonesia, particularly those related to business licensing and the distribution of used clothing. Furthermore, this study examines the implementation of legal business permits for thrifting businesses in Magetan Regency. Other issues include the form of legal protection for consumers in thrifting businesses, as well as factors influencing the level of business compliance with applicable legal provisions. Furthermore, this study examines the effectiveness of law enforcement and the sanctions applied to violations in thrifting clothing businesses.

According to Latif Setyo Nugroho (2023), thrifting is understood as a form of student consumption culture that reflects lifestyle preferences and identity formation shaped by fashion trends, affordable prices, and popular culture [9]. The research gap in this study lies in the absence of discussion of the legality dimension, the ban on importing used clothing, and law enforcement, because the focus of the study is only on the socio-cultural aspects and consumption behavior. This journal will discuss how the legality and sanctions applied to thrifting businesses, especially in Magetan City, are discussed. Artamevia, Awaludin, Triana, and Priani examined legal protection for consumers in the sale and purchase of used clothing (thrifting) through the TikTok application. The study employed a normative juridical research method. The findings indicated that the practice of buying and selling used clothing is not prohibited in Indonesia. However, when the goods involved are imported used clothing, the practice contravenes Minister of Trade Regulation Number 51 of 2015 concerning the Prohibition of Used Clothing Imports and Minister of Trade Regulation Number 40 of 2022 concerning Prohibited Export and Import Goods. Therefore, the sale and purchase of imported used clothing is considered illegal under Indonesian law [10]. Sulistyaningrum researched the Legal Certainty for Consumers Regarding the Sale of Imported Thrifted Clothes in Achieving Consumer Welfare [11]. Sulistyaningrum examined legal certainty for consumers regarding the sale

of imported thrifted clothing in promoting consumer welfare. The study employed a normative legal research method. The findings indicated that regulations governing the importation of used clothing have been clearly established. However, the study also found inconsistencies among certain regulations, creating legal loopholes that may allow deviations from existing provisions, particularly with respect to the importation of used clothing. Although the current legal framework provides a sufficient degree of legal certainty, greater harmonization and synchronization of relevant regulations are needed to address the growing trade in imported thrifted clothing, which may have negative implications for consumers.

This research is important considering that thrifting business practices, particularly those related to the distribution of used clothing, continue to thrive despite the strict prohibition on importing used clothing regulated by law. This situation indicates a gap between legal norms and practices in society, particularly in the legal aspects of business permits and compliance with goods distribution provisions. If not studied in depth, the existence of thrifting businesses that do not meet legal aspects has the potential to cause various negative impacts, including risks to consumer protection, unfair business competition, and decreased effectiveness of law enforcement [12]. Therefore, this research focuses on analyzing the legality of business permits in thrifting clothing business practices in Magetan Regency, including examining how applicable regulations are implemented and how legal protection is provided to the community. In addition, this research also examines the effectiveness of law enforcement and sanctions applied to business actors who do not comply with licensing requirements. The novelty in this research lies in the approach that integrates aspects of business regulation, licensing legality, and legal protection in an empirical context in the region. Unlike previous research that tends to focus on thrifting from a purely consumer culture or normative perspective, this study positions thrifting businesses as the object of legal analysis, analyzing them through a juridical-sociological framework. Therefore, this study not only examines applicable legal norms but also provides an overview of the implementation of regulations in the field, the level of compliance of business actors, and the obstacles to enforcing the legality of thrifting clothing businesses in Magetan Regency.

Thrifting practices can essentially operate in accordance with legal provisions as long as the goods traded are sourced domestically and meet health standards and consumer protection provisions. However, thrifting activities involving the import of used clothing from abroad contravene Indonesian laws and regulations. The ban on imported used clothing is intended to protect public health, maintain

the sustainability of the national textile industry, and prevent the entry of potentially hazardous waste. The continued circulation of imported used clothing in thrifting practices indicates a discrepancy between applicable legal norms and prevailing practices. This situation raises issues regarding legal certainty and the effectiveness of law enforcement. According to Soerjono Soekanto, the effectiveness of law enforcement is influenced by five factors: the law itself, law enforcement officials, facilities and infrastructure, the community, and legal culture. Any imbalance among these factors may undermine the effectiveness of law enforcement. In the context of thrifting, these factors warrant examination to better understand the challenges in enforcing regulations that prohibit the importation of used clothing.

METHOD/IDEA

This study employs an empirical legal research method, combining a statute approach and a case approach. A statute approach was used to examine regulations governing the trade of clothing and consumer protection, while a case approach was used to analyze the actual practices of thrifting businesses in Magetan. The primary research data consisted of data primer results of interviews, observations, and field documentation.

Primary data was obtained through semi-structured interviews with business actors and relevant agencies in Magetan Regency. The interview was conducted with Lutfiansyah, a thrifting business owner, to obtain information on business practices and compliance with laws and regulations. Secondary data was obtained through a library study that examined relevant literature and legal documents. Secondary data sources include:

- Law Number 7 of 2014 concerning Trade
- Law Number 6 of 2023 concerning Job Creation
- Regulation of the Minister of Trade of the Republic of Indonesia Number 40 of 2022 concerning Prohibited Export and Prohibited Import Goods
- Relevant books, journals, scientific articles, and expert opinions.
- This approach integrates analysis of field practices and official legal provisions, so that the research is able to assess the legality of thrifting businesses empirically and normatively.

This research was conducted in Magetan Regency to obtain a clear picture of thrifting clothing business practices at the local level. This location was chosen based on the fact that Magetan is one of the areas with significant thrifting business growth, allowing for a contextual analysis of business compliance with applicable regulations.

Document review focused on laws and regulations and legal literature relevant to the legality of thrifting businesses, including:

- **Law Number 7 of 2014 concerning Trade**, which regulates the principles of trade and the obligations of business actors;
- **Law Number 6 of 2023 concerning Job Creation**, which sets out provisions regarding the import of new goods and prohibits the import of used goods;
- **Minister of Trade Regulation Number 40 of 2022 concerning Prohibited Export and Prohibited Import Goods**, particularly regarding the ban on imports of used clothing;
- **Law Number 8 of 1999 concerning Consumer Protection**, which provides legal protection for the public from the sale of goods that do not comply with legal provisions or have the potential to harm consumers.

This approach allows research to assess the legality of thrifting businesses while simultaneously examining the effectiveness of legal protection for consumers based on the positive legal provisions applicable in Indonesia.

RESULTS AND DISCUSSION

Legality of Clothing Stores *Thrifting* in Magetan

Thrifting practices, particularly those involving imported used clothing, are legally restricted due to their potential harm to consumers and domestic industries. Thrifting businesses are required to comply with legal provisions governing trade, imports, and consumer protection. Businesses must ensure the goods sold are safe and suitable, ensuring business legality and consumer protection. The growth of thrifting is influenced by people's lifestyles, where clothing serves as a symbol of identity and social status [13]. Thus, even though it is in demand, the practice of thrifting must remain in accordance with the law so as not to pose a risk to business actors or consumers [14].

The ban on importing used clothing in Indonesia is strictly regulated by positive law. Every importer is required to import goods in new conditions, thus restricting the legal space for the imported used clothing trade. Limited exemptions granted by the government are not intended to constitute general permission to import used clothing. Violations of this provision are subject to criminal sanctions in the form of imprisonment and/or fines. Technical regulations are strengthened through regulations that explicitly list used clothing as a prohibited import item, thus providing legal certainty for monitoring and enforcement. Furthermore, imports without official documents can also be categorized as smuggling, with criminal sanctions in accordance with customs regulations.

From a consumer protection perspective, the circulation of imported secondhand clothing has the potential to be detrimental because the goods are not inspected or sterilized, thus posing a health risk. Import bans also serve to maintain product quality, consumer safety, and prevent the accumulation of textile waste and environmental pollution. Compliance with these bans remains mandatory, including in e-commerce, making the legal norms governing the import ban on secondhand clothing mandatory (*dwingend recht*). The goal is clear: to protect the domestic textile industry, public health, and trade order.

The results of an interview with the owner of Merapithriftstore, a sole proprietorship MSME in Magetan, show that the process of acquiring used clothing products is carried out through two mechanisms:

1. **Ball or sack**– purchase in large quantities at once.

- **Advantages:** Obtaining product stock in large quantities makes it easier to provide goods in the store.
- **Disadvantages:** Clothing quality isn't always consistent; products that are less popular with customers can pile up.

2. **Select directly at a thrift store outside the city**

- **Advantages:** Can directly assess the quality of clothing, so that the goods obtained are in accordance with the desired standards.
- **Disadvantages:** It takes longer; customers waiting for new products may experience delays in availability.

To maintain stock availability and product quality, Merapithriftstore employs a strategy of having a fixed supplier and regularly sourcing products outside the city. This ensures that the goods sold are always available and maintain their quality.

From a legal perspective, the study found that Merapithriftstore has not fully complied with legal requirements, as the business lacks an official business license. This situation indicates a discrepancy between current economic practices and applicable legal provisions, potentially creating legal risks for both business owners and consumers. Therefore, this analysis confirms that although Merapithriftstore is able to manage stock and quality effectively, compliance with business licensing regulations remains an aspect that requires immediate improvement to ensure legality and legal protection for related parties.

Research on two thrifting stores in Magetan, Merapithriftstore and YBC Store, revealed differences and similarities in their procurement mechanisms and compliance with legal requirements. Merapithriftstore obtains used clothing through two mechanisms: ball or sacking and direct selection at thrift stores outside the city. This strategy allows the store to maintain sufficient inventory and product quality. However, despite effective stock and quality management, the business lacks an official business license, thus requiring legal compliance.

Meanwhile, YBC Store also uses the ball press system, but sometimes through unofficial channels, importing clothing without regard for its origin or consumer health. This practice highlights a disregard for regulations prohibiting the import of used clothing, resulting in inadequate quarantine and customs supervision, and increasing health risks for consumers. Both cases demonstrate the inconsistency between economic practices and legal norms. Businesses focused solely on profiting from low prices potentially neglect consumer protection and trade order. Imported used clothing, especially those that have not undergone official inspections, carries the risk of carrying mold, bacteria, or other contaminants that can negatively impact public health.

Thus, the research findings confirm that while procurement mechanisms can support business continuity and product quality, compliance with licensing regulations and consumer protection remains crucial. Thrifting businesses can only be considered legal if they comply with applicable laws, use official channels, and ensure product safety for consumers.

Research shows that enforcement of illegal thrifting businesses in Magetan, particularly those selling imported used clothing, has been ineffective. Public Order Agency (*Satpol PP*) officers generally only collect data and issue warnings, in accordance with their duties to maintain public order and enforce regional regulations. However, this action does not specifically target violations of the provisions on the trade in imported used goods stipulated in national regulations. The main obstacle to law enforcement is the limited authority of the Public Order Agency (*Satpol PP*), as enforcement against violations of the trade in imported goods involves other agencies such as the Department of Trade, Police, and Customs. In addition, there are no regional regulations that specifically prohibit the circulation of imported used clothing meaning that the Public Order Agency (*Satpol PP*) does not have a strong legal basis to take firm action, such as confiscating goods or closing businesses.

On the other hand, the police and Customs should treat illegal trade violations as criminal offenses. However, in Magetan, firm sanctions and real action from law enforcement officers have not been implemented consistently. This situation is exacerbated by limited human resources and suboptimal inter-agency coordination, resulting in incidental and unsustainable enforcement. The Department of Industry and Trade (*Disperindag*) itself uses only a communication approach and does not implement a deterrent effect on illegal businesses. This situation reinforces the problem identified in the research: although thrifting practices are popular with the public and some businesses are able to maintain product quality, non-compliance with laws and regulations and weak law enforcement create legal uncertainty and risks for consumers.

The results of the study show that the distribution chain of thrifting clothing in Magetan is not transparent and tend to be outside the formal trade mechanisms. Used clothing that is traded is generally not obtained through accountable channels, either domestically or through suspected illegal imports. Distribution usually follows a pattern: Unofficial importers or intermediaries → local distributors → small business owners/resellers → end consumers. Each stage is not accompanied by legal documentation, such as proof of import, customs documents, or certificates of origin, so the origin of the clothing cannot be traced.

This condition confirms that the thrifting business distribution chain is still informal and does not comply with applicable trade regulations, thus giving rise to legal and consumer risks.

Distribution Chain Flowchart of Thrifting Clothing in Magetan

Unofficial Importers / Intermediaries



Local Distributor



Small Business Owners / Resellers



End Consumer

This diagram shows the informal distribution flow, where each stage does not have official documents, making it difficult to monitor or take legal action.

Legally, this unclear distribution chain contradicts the principle of legality in trade law, which requires clarity of the origin of goods and compliance with import and distribution regulations. Trade Ministerial Regulation No. 40 of 2022 stipulates that all imported goods in circulation must comply with trade regulations, including legality of origin and compliance with established standards. The absence of valid documentation in the distribution chain means that the traded goods do not meet the legal requirements for market distribution. Furthermore, downstream business actors (resellers) can still be held legally liable, even though they are not importers, for trading goods that do not meet legal requirements. This demonstrates that legal responsibility in the distribution chain is hierarchical and continuous.

Furthermore, from a consumer protection perspective, a non-transparent distribution chain also has serious legal implications. Consumers are not guaranteed the quality, safety, and suitability of the goods they purchase due to the lack of standards being met in the distribution process. Furthermore, the lack of clear information regarding the origin and condition of the goods also violates consumers' right to receive accurate and honest information. Therefore, legally, the distribution chain of thrifting clothing businesses in Magetan can be categorized as illegal because it does not comply with statutory provisions, including import, trade, and consumer protection. Therefore, stricter oversight of each link in the distribution chain is necessary to ensure that goods circulating in the community originate from legitimate sources and comply with applicable laws and regulations.

Although the illegal thrifting trade in imported used clothing is prohibited by law, particularly regarding imports and consumer protection, the practice is actually increasing in Magetan Regency.

This indicates a problem with the effectiveness of law enforcement, both in terms of substance, enforcement, and community legal culture. The existing prohibition has not been able to suppress the circulation of imported used clothing, indicating weaknesses in oversight and low legal awareness among businesses and consumers regarding applicable regulations.

Thriftig practices in Magetan remain rampant, particularly the sale of imported used clothing, which often lacks legal documentation, such as a Business Identification Number (NIB), business permit, or proof of compliance with product suitability standards. Some clothing in circulation also lacks adequate sterilization and labeling, potentially posing a risk to consumers. This situation contradicts applicable law, which mandates the distribution of imported clothing in new conditions and requires businesses to comply with licensing and consumer protection standards. Practices observed in the field, both through physical stores and online platforms, demonstrate a clear mismatch between community economic activity and legal norms. This indicates that prohibited imported used clothing continues to be traded, posing legal and public health risks.

The next element of the violation relates to licensing and import trade regulations. Minister of Trade Regulation No. 40 of 2022 also stipulates that all trade activities must comply with business licensing requirements and legal distribution requirements. However, the facts on the ground show that some thriftig businesses in Magetan lack complete business legality, such as a Business Identification Number (NIB) or business permits appropriate for import trade activities. Furthermore, there is a lack of clarity regarding the distribution chain of goods, including traceability documents, which are crucial for trade oversight. Therefore, the elements of administrative violations, such as failure to fulfill licensing obligations and non-compliance with trade regulations, can also be considered fulfilled.

Thriftig clothing businesses in Magetan Regency need to be viewed within the legal framework of risk-based business licensing through the OSS (Online Single Submission) system. Every business actor is required to have basic legality in the form of a Business Identification Number (BIN), which serves as both identification and a basic permit to operate the business. Thriftig businesses are typically classified as clothing retail, so they are required to register their businesses and obtain an BIN through the OSS. In addition to the BIN, depending on the scale and risk of the business, actors are also required to fulfill additional permits, such as standard certificates and commitments related to business standards and consumer protection. However, in the field, many

thriftig actors in Magetan operate without a BIN or a valid business permit, making their businesses administratively illegal. Licensing for the thriftig clothing business includes not only the BIN but also permits related to trade and distribution of goods, such as the obligation to include Indonesian-language labels, meet product suitability standards, and comply with prohibitions on the distribution of certain goods, such as imported used clothing. If the perpetrator trades imported goods without legal documents and appropriate permits, then his business not only violates administrative aspects, but also has the potential to violate laws in the fields of trade and consumer protection.

The legal implications of failing to meet licensing requirements for thriftig clothing businesses in Magetan Regency are significant. Administratively, businesses can be subject to sanctions ranging from written warnings, temporary suspension of business activities, to permit revocation. In the context of more serious violations, such as trading in prohibited imported used clothing, businesses risk criminal sanctions in accordance with statutory provisions. Furthermore, the lack of permits also weakens legal protection for businesses, as the business they operate lacks a valid legal basis. Therefore, fulfilling business licensing requirements is crucial, not only for legal compliance but also to ensure legal certainty and protection in thriftig clothing businesses in Magetan.

From a consumer protection perspective, the circulation of imported secondhand clothing without clear standards has the potential to violate regulations related to consumer safety, health, and security. Facts on the ground show that goods sold often lack Indonesian-language labels, lack ingredient lists, and undergo a guaranteed sterilization process. This situation contradicts the principle of consumer protection, which requires that goods in circulation meet standards and provide accurate, clear, and honest information. Therefore, violations of thriftig businesses are not only related to import bans but also involve violations of consumer rights.

Based on the examination of these elements, it can be legally concluded that the thriftig clothing business practices in Magetan, particularly those involving imported used clothing, have met the elements of a violation as stipulated in Minister of Trade Regulation Number 40 of 2022. These violations cover aspects of prohibited goods, licensing and trade regulations, and consumer protection. Therefore, these business activities can be legally classified as illegal and potentially subject to administrative and other sanctions in accordance with applicable laws and regulations.

From a legal effectiveness perspective, non-compliance with the legal aspects of thrifting businesses in Magetan is caused by weak implementation and enforcement. From a legal substance perspective, although regulations clearly prohibit the import of used clothing, the regulations are not yet fully operational to reach small-scale businesses in the region. From a law enforcement perspective, supervision and enforcement are still minimal, so businesses rarely experience legal consequences. In terms of facilities and infrastructure, limited resources to oversee the distribution of illegal goods are a barrier. Meanwhile, from a societal and legal culture perspective, the high demand for thrifted clothing and the perception that the practice is normal lead to disregard for legal norms. Thus, from a legal perspective, thrifting clothing businesses in Magetan tend to be illegal, and ineffective law enforcement is a major factor allowing the practice to continue despite being in violation of applicable regulations.

Based on a comparison between the facts on the ground and the applicable legal provisions, it can be concluded that the legality of the thrifting clothing business in Magetan has not been fully fulfilled. optimal, especially for businesses that trade imported used clothing without proper permits. This situation indicates that these business practices violate administrative licensing requirements and have the potential to lead to violations related to consumer protection, public health, and trade order. Furthermore, weak supervision and enforcement of legal compliance from relevant agencies contributes to the persistence of this practice, despite a clear ban on importing used clothing. Therefore, firmer and more consistent law enforcement efforts, increased oversight of business actors, and regulatory outreach to the public and business actors are needed. This approach aims to create legal certainty, consumer protection, and orderly regulation of thrifting clothing businesses in Magetan Regency. Therefore, legality analysis not only emphasizes identifying violations but also provides an argumentative basis for formulating solutions that support legal compliance and public protection.

Thus, it can be affirmed that the trade in imported used clothing is a practice prohibited by law. However, the continued existence of this practice indicates that the legal sanctions imposed have not provided an optimal deterrent effect, and the oversight mechanisms of the relevant agencies have not been effective. Therefore, stricter and more consistent law enforcement is needed, accompanied by strengthened oversight and coordination between agencies, so that applicable legal provisions are

not merely normative but can be implemented concretely in society, thereby creating legal certainty and consumer protection.

Based on an analysis of legal procedures and facts on the ground, it can be concluded that the legality of thrifting clothing stores in Magetan has not been met. The trade in imported used clothing violates the provisions prohibiting the circulation of imported used goods, which aim to protect public health, ensure legal certainty, and maintain the sustainability of the domestic textile industry. Although this practice continues and is socially accepted, its existence is legally unacceptable. Therefore, firm and consistent law enforcement, accompanied by ongoing monitoring, is necessary to prevent unlawful business practices from continuing and to protect consumer rights and safety. Normatively, Minister of Trade Regulation Number 40 of 2022 stipulates that imported goods permitted for trade must be in new condition, implicitly prohibiting the circulation of imported used goods, including used clothing. Empirically, thrifting businesses in Magetan still sell imported used clothing that does not meet these requirements, creating a clear discrepancy between legal norms and practice on the ground.

From a licensing and trade perspective, many thrifting businesses lack proper business legality and are unable to demonstrate the legal origin of their goods. This further reinforces the violation of legal provisions governing business licensing requirements and goods distribution systems. Fourth, from a consumer protection perspective, the circulation of imported secondhand clothing without clear standards, labels, and guarantees of suitability also violates consumer protection principles, which require safety, comfort, and accurate information about traded goods.

The practice of thrifting clothing in Magetan Regency is not only related to legal aspects, but also touches on issues of business competition and domestic industry protection. From a competitive perspective, imported used clothing obtained through unofficial channels allows thrifters to sell goods at significantly lower prices because they do not bear the production costs, taxes, import duties, or standard obligations that domestic new clothing businesses face. This situation creates unfair business competition, as businesses that comply with the law are at a disadvantage. Legally, this practice contradicts the principle of fair business competition, which requires a level playing field for all businesses in the market.

The widespread circulation of imported secondhand clothing has negatively impacted the national textile and textile products (TTP) industry, particularly for MSMEs in the garment industry. The low cost and diverse range of thrifted products reduces the competitiveness of local products, as consumers tend to choose imported used goods at lower prices over new domestic products. Normatively, the ban on imports of used goods in Trade Ministerial Regulation No. 40 of 2022 is intended to protect the domestic industry from unfair competition. However, weak implementation of this policy has resulted in suboptimal protection for the local industry, thus preventing the regulation's legal and economic objectives from being fully achieved.

This legal impact also reflects a failure in the regulatory function as an instrument of economic control and protection of national interests. When illegal trade practices such as thrifting imported used clothing continue without firm law enforcement, they not only harm law-abiding businesses but also hinder the growth of national industry and create market distortions. Therefore, strengthening policies that are not only repressive through sanctions, but also preventative through distribution supervision, empowering local businesses, and raising public awareness to value domestic products. Therefore, this analysis shows that illegal thrifting practices have broad and systemic legal implications, requiring comprehensive and integrated handling.

This illegal status is based on the fulfillment of elements of a violation of the ban on importing used goods, failure to fulfill business licensing obligations, and disregard for consumer protection standards. Therefore, these business activities lack a valid legal basis and are potentially subject to sanctions in accordance with applicable laws. Strict law enforcement is needed to create certainty and order in trade activities.

Legal Sanctions for Thrifting Business Actors Who Violate Provisions

Legal sanctions for thrifting business actors who violate the provisions can refer to Article 8 paragraph (1) letter a of the UUPK and Article 112 of the Trade Law. Article 8 paragraph (1) letter a of the UUPK prohibits the trade of goods that do not meet the required standards. In the context of thrifting, imported used clothing generally does not meet health, sanitation, and suitability standards. Business actors who continue to trade these goods can be subject to criminal sanctions according to Article 62 of the UUPK, in the form of imprisonment of up to 5 years or a maximum fine of IDR 2 billion. This sanction can be imposed on retailers because they directly sell goods to consumers, even

though they are not the importing party. Thus, retailers still have a legal responsibility to ensure that the goods sold meet applicable standards.

Article 112 of the Trade Law stipulates sanctions for businesses that trade prohibited goods, including the import of used clothing, which is prohibited for the protection of health, the environment, and domestic industry. Importers or main distributors bear the greatest legal responsibility, with criminal sanctions of up to 5 years' imprisonment and/or a maximum fine of IDR 5 billion. This prohibition is reinforced by Minister of Trade Regulations Number 12 of 2020 and Number 40 of 2022, which define used clothing as prohibited goods with HS code 6309.00.00. In addition, thrifting businesses can also be subject to sanctions under the Consumer Protection Law (Article 8 paragraph 1 letter a and Article 62), because imported used clothing usually does not meet health and safety standards, with the threat of imprisonment of up to 5 years or a fine of IDR 2 billion. This prohibition also applies to e-commerce according to Government Regulation Number 80 of 2019, so online sales can still be subject to sanctions. At the regional level, supervision is carried out by the Department of Industry and Trade (Disperindag), which applies the principle of *ultimum remedium* by prioritizing guidance and warnings before imposing administrative sanctions, including business closure. Therefore, sanctions against thrifting businesses are strict and multi-layered, both criminal and administrative, and their effectiveness depends on consistent law enforcement, ongoing supervision, and legal awareness among businesses and the public.

Normatively, legal sanctions for thrifting businesses selling imported used clothing are clearly stipulated in the Trade Law, the Customs Law, and Minister of Trade Regulation No. 18 of 2021. Businesses can be subject to administrative sanctions such as license revocation, confiscation of goods, and fines, as well as criminal sanctions in the form of imprisonment and/or fines if found to be trading illegal goods. Although legally these sanctions are adequate, the facts in Magetan Regency show that the practice of selling imported used clothing is still widespread and open, indicating that the effectiveness of law enforcement is not optimal.

In practice, enforcement of sanctions against thrifting businesses remains suboptimal, primarily due to weak oversight at the regional level. Authorities and relevant agencies struggle to trace the origin of goods, making it extremely difficult to prove illegally imported used clothing. Consequently, violations often go unpunished, even though the business's activities clearly violate regulations.

Furthermore, economic and social factors contribute to the ineffective enforcement of sanctions. Thrifting is often viewed as a means of livelihood for low-income communities, leading local governments to adopt a tolerant approach and prioritize persuasive approaches over law enforcement. This approach ultimately leads to inconsistencies in law enforcement, as strict prohibitions are not balanced by commensurate repressive measures. As a result, legal sanctions remain merely normative on paper and lack coercive force in practice.

Evaluation of the implementation of sanctions reveals a gap between legal norms and enforcement practices. Key factors include weak oversight, limited human resources, suboptimal inter-agency coordination, low legal awareness among business actors, and high market demand for thrifting clothing. Consequently, sanctions are ineffective and lack a deterrent effect. Therefore, efforts are needed to improve implementation effectiveness through stronger oversight, consistent law enforcement, and education for the public and business actors to ensure better legal compliance.

Legal sanctions against thrifting businesses are strict and multi-layered, encompassing both criminal and administrative sanctions. However, their effectiveness depends heavily on consistent law enforcement, ongoing oversight, and legal awareness among businesses and the public. Without state commitment to oversight, enforcement, and legal education, as well as support for a legal culture from the public, the goal of protecting law and order in the secondhand clothing trade will be difficult to achieve optimally [9–11,13–15].

Interviews with thrifting businesses in Magetan revealed that they understand the regulations and the penalties for violating them. However, they are forced to do so due to the difficulty of finding work, and thrifting is their only available opportunity. They are also supported by the local community, who enjoy thrifting due to its low prices and attractive clothing styles.

According to Soerjono Soekanto, legal effectiveness is influenced by legal factors, law enforcement, infrastructure, society, and legal culture. From a legal perspective, Minister of Trade Regulation No. 40 of 2022 regulates the prohibition on imports of used goods and associated sanctions. However, technical oversight and enforcement at the regional level are still weak, resulting in suboptimal implementation. From a law enforcement perspective, effectiveness also depends on the performance of law enforcement officials. In the field, oversight of the circulation of imported used clothing remains suboptimal, as evidenced by many businesses operating openly without permits and without strict sanctions. This obstacle arises from limited authority, lack of coordination between

agencies, and a low priority for handling violations, resulting in sanctions that do not provide a deterrent effect.

The infrastructure and legal effectiveness factor is also influenced by the availability of supporting facilities for supervision and law enforcement. In practice, limited human resources, budget, and supervisory facilities hinder the control of the circulation of illegal imported goods, particularly in the regions. The generally informal nature of monitoring the distribution channels for imported used clothing also makes it difficult for authorities to trace the source.[16] This situation results in sanctions enforcement not being optimal because it is not supported by adequate systems and infrastructure.

From a societal perspective, low legal awareness among businesses and consumers impacts the effectiveness of sanctions, as businesses continue to operate thrifting businesses for profit, while consumers buy due to low prices and trends. From a legal cultural perspective, thrifting has become a lifestyle, and despite being prohibited, the practice remains tolerated. Therefore, legal sanctions against thrifting clothing businesses in Magetan have been ineffective due to obstacles related to legal substance, enforcement, facilities, and public awareness and legal culture.

It can be concluded that Indonesia has a clear legal framework to regulate and prohibit the illegal trade in used clothing through administrative, civil, and criminal sanctions. However, these regulations and sanctions will not be fully effective if they are not accompanied by consistent law enforcement, ongoing oversight, and legal awareness among business actors and the public. Therefore, the application of legal sanctions must be understood not only as a form of punishment, but also as an instrument to ensure business activities comply with statutory provisions, protect consumers, and create an orderly and fair business climate.

CLOSING

Thrifting practices in Magetan Regency, particularly the trade in imported used clothing, are legally illegal because they violate the ban on the circulation of imported used goods and do not yet have a Business Identification Number (NIB). This ban is intended to protect consumer health, safeguard the domestic textile industry, and ensure healthy business competition, especially for MSMEs. Although the provisions for normative sanctions are clear, their implementation in the field is weak. Thrifting businesses in Magetan are positioned as retailers, so they should be subject to Article 112 paragraph (2) of the Trade Law and the criminal provisions of the Consumer Protection Law. However, the local government tends to be persuasive, prioritizing people's economic reasons,

so that sanctions are not enforced firmly, creating impunity and reducing the deterrent effect of the law.

Normatively, the legal framework governing the protection and prohibition of imported used clothing in Indonesia is quite comprehensive. However, problems arise in its implementation, indicating systemic failure. Weak oversight of the distribution chain, particularly in the informal sector, suboptimal coordination between agencies such as regional regulations, the police, and customs, and high market demand are key factors in the decline of legal authority. Thus, the continued practice of illegal thrifting in Magetan is not merely an individual violation, but a reflection of the state's suboptimal role in overseeing small-scale trade. This situation has implications for the potential reduction in legal effectiveness, putting statutory provisions at risk of becoming mere formal norms without real enforcement in the field.

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