

## Law Enforcement of Thrifting Practices Through Overseas Online Thrift Shops with Instagram Applications

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### ABSTRACT

**Keywords:** thrifting law enforcement, overseas thrift shop online mechanism, instagram.

Technology has changed people's habits, including the way they buy things. Thrifting can be a way for fashion lovers or fashionistas to learn about trends so that they can find very varied and unexpected clothing models. In the implementation of thrifting, there are currently many platforms that can be used online. The most commonly used online platforms are Instagram, TikTok, shopee, and many other e-commerce. This article aims to discuss the mechanism of online thrifting through the Instagram application and to examine law enforcement against the practice of Thrifting through the Instagram application. The result of this research is that the impact of the online thrifting mechanism using the Instagram application hurts security in customs supervision and threatens local industries. The practice of thrifting carried out online utilizes loopholes in supervision and regulation so that many business actors can still sell imported used goods illegally. To address this issue, cooperative action is needed between the government, social media platforms, and the public. The government needs to strengthen regulations and improve oversight of online buying and selling activities, including working with platforms like Instagram to identify and crack down on unlawful accounts.



### Introduction

At this time, buying and selling used clothes is called "thrifting", and the shops that sell them are called "thrift shops". Thrift shops are stores that sell used items at low prices, so customers can buy these items at a lower price and avoid waste. Thrifting can be one way for fashion lovers or fashionistas to study trends so that they can find very varied and unexpected clothing models (Wijaya & Andriasari, 2022). In the implementation of thrifting today, many platforms can be used, one of which is the online platform. The most common online platforms are Instagram, TikTok, shopee, and many other e-commerce that support this online thrifting practice (Niu, Jan, Tabe, & Songkaton, 2023). Thrifting practices supported by online thrift shops abroad are very detrimental to the domestic market, especially convection and garments or apparel which leads to a decrease in the productivity of the domestic market (Pettersson Eid, Sundell, & Svensson, 2024).

This practice also has an impact on the social sector, namely the number of unemployed, because workers are not needed much. Economically, this has led to a decrease in foreign exchange in exports, including fees and taxes, this is one of the reasons why Indonesia has banned the import of used clothes (thrifting).

Law Number 7 of 2014 concerning Trade and Government Regulation Number 80 of 2019 concerning Trade Supported by Electronic Systems is a series of Indonesian government regulations that regulate trade both conventionally and electronically. In Article 47 of the Trade Law, the government stipulates trade prohibitions such as a ban on imported goods to protect consumer cruciality and create a healthy business climate. Another purpose of the regulation is to increase national economic growth. One of the actions in the ban is to prohibit the trade in used goods. Legally, the act of trading in used clothes is prohibited, while criminal sanctions against business actors can be imposed criminal penalties as well as criminal sanctions contained in Article 62 Paragraph (1) of Law No. 8 of 1999 concerning Consumer Protection, namely "Business actors who violate the provisions as referred to in Article 8, Article 9, Article 10, Article 13 paragraph (2), Article 15, Article 17 paragraph (1) letter a letter b, letter c, letter e, paragraph (2) and article 18 are punishable by imprisonment for a maximum of 5 (five) years or a maximum fine of Rp. 2,000,000,000.00 (two billion rupiah). Article 8 paragraph (2) of Law Number 8 of 1999 concerning Consumer Protection (UUPK) states that "Business actors are prohibited from trading damaged, defective or used, and polluted goods without providing complete and correct information on the goods in question".

Based on the legal regulations of agreements, Article 1320 of the Civil Code tests the validity of agreements, especially agreements for the sale and purchase of imported used clothes carried out by thrift shop online stores with customers. In Article 1320 of the Civil Code, a valid agreement meets four conditions, namely agreement, competence, certain things, and halal clauses. Article 1337 of the Civil Code states "A cause is prohibited, if the cause is prohibited by law or if the cause is contrary to decency or public order." This is because it is in the form of a ban on the import of used goods from abroad mentioned in the Regulation of the Minister of Trade Number 40 of 2020 concerning Goods Prohibited from Export and Goods Prohibited from Import in attachment part IV which includes types of used bags, used sacks, and used clothes. So the practice of thrifting supported by online thrift shops abroad is contrary to Article 1337 of the Civil Code.

One example of thrifting practices that are carried out individually can be found around us, generally for people who are very careful about money but prioritise appearance. Starting from children, and adults, to the elderly, they often practice online thrifting. For example, we can buy used clothes supported by the Instagram application, in the Instagram application there are a lot of thrift stores both from within the country and abroad. With many online thrifting practices that buy used clothes supported by foreign thrift shops directly at this time, this is the reason for conducting this research. So that you can find out about the mechanism of foreign thrift shop practices supported by

Instagram social media and how law enforcement overshadows online thrifting practices in Indonesia at this time.

## **Research Methods**

### **Research Specifications**

In this study, the author uses the statute approach and historical approach, this legislative approach is carried out by examining all laws and regulations related to the legal issues that are being discussed (researched). Meanwhile, the historical approach is carried out by examining the background of what is studied and the development of arrangements regarding the issues faced based on this research.

### **Data Collection Methods**

The data collection method in this study is the bibliography study method. Literature study is the study of written information about law that comes from various sources and is widely published and is needed in normative legal research and is used as a support in research and can be used as a basis or reference in reviewing literature related to research conducted by authors.

### **Data Analysis Methods**

The data analysis method in the research used by the author is qualitative, namely by interpreting the legal materials that have been processed. The use of this interpretation method aims to interpret the law, whether there is a void in legal norms or there is a vague (unclear) law for legal materials, especially primary legal materials.

## **Results and Discussion**

### **Mechanism of Thrifting Practice Through Online Thrift Shop Abroad Using the Instagram Application**

The mechanism of thrifting practices through foreign thrift shops using the Instagram application has become a significant phenomenon in Indonesia. Thrift shop sellers on Instagram usually get goods from foreign suppliers who send used clothes in bulk. These clothes are then selected, cleaned, and photographed well to upload to the seller's Instagram account. Instagram acts as a digital storefront that allows sellers to showcase their products to a wide and diverse audience. The process of procuring goods from abroad for thrift shops through Instagram often involves unofficial methods and is not by applicable regulations.

Many imported second-hand goods enter Indonesia through channels that are not detected by customs authorities. Sellers often use inappropriate declarations or even smuggle them along with other goods to avoid taxes and customs duties that would otherwise be paid. This method is not only against the law but also poses a risk to the quality and safety of the goods sold. (Chairy & Gultom, 2023) stated that this practice makes it difficult for customs authorities to conduct thorough inspections and detect illegal goods. Additionally, sellers often take advantage of loopholes in oversight and regulation, which allows them to continue operating despite official bans on the import of used clothing. After successfully entering Indonesia, these items are then distributed

to various thrift shop sellers who are active on Instagram. These sellers then process, clean, and market the clothes through their Instagram accounts.

The marketing process is carried out very effectively using Instagram features such as Instagram Stories, IGTV, and live sales, which allow sellers to reach a wide audience without the need to open a physical store. Sellers often attract consumers with attractive product photos and descriptions that emphasize the brand, quality, and affordable price. However, this practice carries various negative consequences. Not only is it detrimental to local industries that have to compete with cheaper imported second-hand goods, but it also has the potential to harm consumers. Goods that enter illegally do not go through the process of checking quality and safety standards, so consumers are not guaranteed to receive safe and suitable goods. This also has an impact on state revenue lost from unpaid taxes and customs. This causes these goods not to go through an adequate quality and safety inspection process, which can potentially harm consumers. After the goods arrive in Indonesia, thrift shop sellers start the sorting process to choose clothes that are still suitable for use and have a high selling value. This sorting process is very important because it determines the quality and selling price of clothes that will be marketed to consumers. Sellers usually sort clothes based on several key criteria, such as brand, physical condition, and suitability with the latest fashion trends. Clothes with well-known brands and in good condition usually have a higher selling value and sell faster in the market.

Cleanliness is an important aspect that sellers pay attention to to ensure that clothes look attractive and safe for consumers to use. According to (Balqies & Jupriani, 2022), many sellers only use simple washing techniques that are not always adequate to remove all contaminants or disease seeds that may be present on used clothes. This simple washing technique involves the use of regular detergent and water, without going through a more thorough sanitation process like professional garment factories do. The limitations of this washing technique cause several problems, especially related to consumer health. Used clothes that are not thoroughly cleaned can be a medium for spreading diseases or skin infections. Consumers who are not aware of this potential risk may face health problems after using these used clothes. (Balqies & Jupriani, 2022) emphasized that to overcome this problem, sellers should use more sophisticated and effective cleaning methods, such as dry cleaning or the use of special disinfectants to ensure that the clothes are free of contaminants.

In product marketing, thrift shop sellers take advantage of the features provided by Instagram such as Instagram Stories, IGTV, and shop features to promote their products. They often use popular hashtags such as #thriftshop, #preloved, or #secondhandfashion to attract the attention of potential buyers. Sellers also often hold live sales, where they sell items directly through live broadcasts on Instagram, thus creating an interactive and urgent sales atmosphere.

This practice presents several challenges and risks, especially related to the authenticity and condition of the goods. Consumers are often unable to inspect the item directly before purchasing, which makes them vulnerable to fraud or receiving items that

do not match the description. The increasingly popular practice of online thrifting has posed serious challenges for the local fashion industry in Indonesia. According to (Saputro, Santoso, Wardoyo, Sofiyana, & Ramadhani, 2024), the increase in the purchase of imported second-hand clothes through platforms such as Instagram has led to a decline in demand for local products. This condition affects various aspects of the domestic fashion industry, from manufacturers to workers in the convection and garment sectors. The decline in demand for local products means that many manufacturers are facing a decline in revenue, which can ultimately affect their business viability.

Manufacturers who rely on domestic sales have to compete with imported second-hand clothes that are usually sold at much lower prices. This makes local products less competitive in the market. Many consumers prefer imported second-hand clothes because of their more affordable prices and more diverse options, ruling out local products that may be of better quality but cost more. The negative impact is also felt by workers in the convection and garment sectors. When demand for local products decreases, many companies may be forced to reduce the number of employees or even close their businesses. This increased the unemployment rate, which became a serious social and economic problem. Workers who have lost their jobs find it difficult to find new jobs, especially in the same sector, due to the lack of demand and available jobs.

The economic impact of online thrifting practices in Indonesia is further exacerbated by the fact that many transactions are carried out informally and are not recorded. This causes the government to lose potential revenue from taxes and customs duties that should be obtained from the trade of these imported goods. The inability to effectively monitor and regulate these transactions creates loopholes in the country's taxation and customs systems. As a result, a large amount of revenue that could be used for development and public services is simply lost. These informal transactions are usually carried out by individual sellers or small businesses that do not have an official license or do not formally register their business. They utilize social media platforms such as Instagram to market their products without having to go through licensing procedures and pay applicable taxes. As a result, economic activities that should have been on the government's radar became invisible and undocumented. This provides an advantage for these sellers because they can offer lower prices without having to bear the burden of taxes, but on the other hand, it is detrimental to the national economy. The lack of official registration also means that the government does not have accurate data on the volume and value of the trade-in imported used clothing. This data is essential for effective economic planning and policymaking. Without adequate data, governments struggle to identify trends and take appropriate actions to regulate the market and protect local industries. This situation worsens economic conditions, especially for the domestic convection and garment industries which have been affected by the decline in demand.

Existing regulations, such as those stipulated in Law Number 7 of 2014 concerning Trade and Government Regulation Number 80 of 2019 concerning Trade Supported by Electronic Systems, have prohibited the trade of imported second-hand goods to protect local industries and consumers. However, the implementation and

enforcement of this regulation still face many obstacles, especially in terms of monitoring and supervision of online buying and selling activities that are carried out anonymously and spread across various social media platforms. Consumer education and awareness also play an important role in this practice. Many consumers are not aware of the risks and impacts of buying imported used clothes, both in terms of health and economy. Intan Nur Rahmalia emphasized the importance of educating consumers about their rights and the risks associated with buying used goods online. In facing this challenge, cooperation between the government, social media platforms, and the public is urgently needed. The government needs to increase surveillance and work with platforms like Instagram to identify and crack down on accounts that violate the law. At the same time, the public needs to be encouraged to better support local products and understand existing regulations.

### **Law Enforcement Against Online Thrifting Practices in Indonesia**

Law enforcement against online thrifting practices in Indonesia requires a comprehensive approach, considering the rapid development of e-commerce and social media as buying and selling platforms. One of the main problems faced is the large number of sellers who use Instagram and similar platforms to sell illegally imported used clothes. This practice not only violates existing laws but also harms the domestic market as well as consumers. Law Number 7 of 2014 on Trade, trade-in imported second-hand goods, including clothing, prohibits to protection of local industries and consumers from goods that may not meet health and safety standards. In addition, Government Regulation Number 80 of 2019 concerning Trade Supported by Electronic Systems regulates online trade and aims to create a healthy and competitive business climate in the digital era.

Law enforcement against online thrifting practices often experiences obstacles due to the nature of transactions carried out virtually. Business actors can easily operate anonymously, use fictitious accounts, and switch platforms if detected by the authorities. This makes it difficult to enforce the law effectively. For example, research by (Sheila, Syifa, Syafii, & Tarina, 2023) found that the validity of electronic contracts or e-contracts is recognized in the Electronic Information and Transaction Law (UU ITE), but the form of e-contracts that are still abstract often leads to different interpretations. Consumer protection in e-commerce transactions is also a major concern. Based on research by (Awalia, Arhansyah, Nugroho, & Thapsuandji, 2024), one of the biggest problems is fraud and shipping errors that often occur because sellers and buyers are not face-to-face. Consumers often receive items that do not match the description or are damaged during delivery. To overcome this, Article 4 of Law Number 8 of 1999 concerning Consumer Protection provides a legal basis to protect consumer rights. One example of the implementation of this law is the case researched by (Rahmawati, Rahmadani, Heni, & Kevin, 2023), which shows that if the goods are damaged during delivery, consumers are entitled to compensation by Article 19 of Law Number 8 of 1999 concerning Consumer Protection. However, the enforcement of these rights still often encounters practical obstacles, especially due to the lack of awareness of consumers and sellers of their obligations and rights.

To increase the effectiveness of law enforcement, the government needs to strengthen regulations and supervision of online buying and selling activities. This includes increasing cooperation with social media platforms such as Instagram to identify and crack down on accounts that violate the law. In addition, education to the public about their risks and rights as consumers is very crucial. Research by (NATASHA, 2023) shows that many consumers do not understand the legal protections available to them in online transactions. More specific and clear regulations regarding the used clothing trade are urgently needed to address the complexities that exist in the practice of online thrifting. Research by (Saputro et al., 2024). shows that despite measures to ban the import of used clothing, existing regulations have not been effective enough in addressing the various challenges that arise. Existing regulations often only focus on prohibition, without providing solutions or alternatives for businesses and consumers involved in this practice. This creates a legal loophole that can be used by business actors to continue running their businesses illegally. To create effective regulations, the government needs to consider sustainability aspects in the fashion industry. Currently, consumers are turning to thrifting as a form of support for sustainable fashion. Thrifting helps to extend the life cycle of clothes and reduces the need for the production of new clothes that negatively impact the environment. This makes existing regulations must be able to accommodate this aspect of sustainability, while still protecting the local industry from the negative impact of imported used clothing. In addition, the policies developed must be able to encourage sustainable practices that support local industries. For example, the government can provide incentives to local business actors who apply sustainable fashion principles. These incentives can be tax deductions, technical assistance, or marketing support. Local industries can thrive and compete with imported products while supporting broader sustainability goals. This policy can also include educational programs for consumers about the urgency of supporting local products and the positive impact of sustainable fashion. More comprehensive and inclusive regulations must also involve a variety of crucial stakeholders, including businesses, consumers, and non-governmental organizations that focus on environmental issues and consumer rights. The regulations developed will be more realistic and acceptable to all parties involved. Additionally, this approach also helps to ensure that all aspects of thrifting practices, both positive and negative, can be addressed effectively and equitably. Supported by good cooperation between the government, industry, and the community, the new regulations can create a healthy and sustainable business climate.

International cooperation can be an effective solution to overcome the illegal trade in used clothes in Indonesia. Most of the second-hand goods sold in Indonesia come from abroad and often come in without being supported by a legitimate process. This makes coordination with the country of origin of the goods a crucial thing that must be done to control the influx of illegally used clothes. This step could involve bilateral or multilateral agreements that focus on monitoring and tightening procedures for the export-import of used goods. Countries that are the main source of used clothes can be invited to implement stricter standards in the sorting and export of their used goods so that only products that

meet certain standards can enter Indonesia. In addition, international e-commerce platforms also play a crucial role in the sale of used clothes in Indonesia. Cooperation with platforms such as Instagram, Shopee, and others is necessary to monitor and regulate the sale of second-hand goods. These e-commerce platforms may be required to ensure that sellers using their services comply with local and international regulations regarding the trade in used clothing. Fatmawati in her research shows that easy access to imported goods supported by e-commerce greatly affects people's lifestyle and consumptive behaviour, which further strengthens the need for strict regulations. International cooperation can include the exchange of information and technology between countries. Countries with more advanced experience and technology in e-commerce monitoring and regulation can share their knowledge and best practices. In addition, technologies such as blockchain can be used to trace the origin of goods and ensure that goods sold in the Indonesian market have been backed by legitimate processes and applicable regulations. This cooperation must also involve international institutions focused on consumer protection and fair trade. Organizations such as the World Trade Organization (WTO) and the United Nations Conference on Trade and Development (UNCTAD) can provide support and guidance for countries trying to tackle illegal trade. Indonesia can ensure that the measures taken are not only effective but also by international standards. This international cooperation can help create a fairer and more sustainable trade environment while protecting consumers and local industries from the negative impacts of the illegal trade in used clothing.

Consumer protection must be a top priority in law enforcement against online thrifting practices. Consumers need to be provided with clear and correct information about the items they are buying, as well as easy access to file complaints and get compensation in case of problems. Research by (Awalia et al., 2024). emphasizes the urgency of the role of e-commerce platforms in ensuring consumer protection by providing effective monitoring and dispute-resolution mechanisms.

## **Conclusion**

Law enforcement against thrifting practices supported by overseas online thrift shops with the Instagram application is a complex challenge in Indonesia. Although Law Number 7 of 2014 concerning Trade and Government Regulation Number 80 of 2019 concerning Trade Supported by Electronic Systems has regulated the prohibition of trade in imported used goods, their implementation is often ineffective. The practice of thrifting carried out online takes advantage of loopholes in supervision and regulation so that many business actors can still sell imported used goods illegally. Article 1337 of the Civil Code states "A cause is prohibited, if the cause is prohibited by law or if the cause is contrary to decency or public order." This is because it is in the form of a ban on the import of used goods from abroad mentioned in the Regulation of the Minister of Trade Number 40 of 2020 concerning Goods Prohibited from Export and Goods Prohibited from Import in attachment part IV which includes types of used bags, used sacks, and used clothes. So



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The main problem faced is the large number of sellers who use Instagram and similar platforms to sell illegally imported used clothes. This practice not only violates existing laws but also harms the domestic market as well as consumers. Law Number 7 of 2014 on Trade, trade-in imported second-hand goods, including clothing, prohibits to protection of local industries and consumers from goods that may not meet health and safety standards. To overcome this problem, cooperative actions are needed between the government, social media platforms, and the community. The government needs to strengthen regulations and increase scrutiny of online buying and selling activities, including working with platforms such as Instagram to identify and crack down on illegal accounts. In addition, educating the public about the urgency of supporting local products and understanding existing regulations is crucial so that law enforcement against online thrifting practices can run more effectively, protect consumers, and support the growth of local industries and environmental sustainability.

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