



JOURNAL OF COMMUNITY SERVICE IN SCIENCE AND ENGINEERING

P-ISSN: 2962-1003 E-ISSN: 2962-0767

Homepage jurnal: <http://jurnal.untirta.ac.id/index.php/JoCSE/>



Analysis of protection of garment products in the domestic industry against the thrifting industry

Diana Hernida Putri, Mustika Bunga Hijriyah, Windi Edriani Ningsih, Rico Januar¹, Herli Antoni

Faculty of Law, Pakuan University, Jl. Pakuan, RT.02/RW.06, Tegallega, Central Bogor, Bogor City, West Java 16129, Indonesia.

¹E-mail: rjanuar1540@gmail.com

ARTICLE INFO

Article history:

Submitted 1 May 2023

Reviewed 10 May 2023

Received 30 May 2023

Accepted 5 June 2023

Available online on 1 October 2023

Keywords:

Garment industry; government; second clothes.

Kata kunci:

Industri garmen, pemerintah, pakaian bekas.

ABSTRACT

The increase in purchases of imported second-hand goods by the public is a severe problem, significantly affecting the garment industry. Many people prefer imported used clothing to local products. This problem is a challenge for the garment industry to compete well. The government has long been intensifying regulations regarding prohibiting imports of used clothing to help the domestic garment industry. However, this problem has remained the same, so there needs to be strong protection for garment products to remain viable in the domestic market. This article will examine the regulations regarding the import of used clothing. This research uses normative legal research methods that carry out empirical studies. The results show that many government regulations have been intensified regarding imported clothing. In addition, this community service provides an understanding of the economic review of the law put forward by the ministers and the solutions that the garment industry must face.

ABSTRAK

Peningkatan pembelian barang bekas impor oleh masyarakat merupakan masalah yang cukup serius terutama berdampak pada industri garmen. Banyak masyarakat yang lebih memilih pakaian bekas impor daripada produk lokal. Masalah tersebut merupakan tantangan bagi industri garmen agar dapat bersaing dengan baik. Aturan mengenai pelarangan impor pakaian bekas sudah lama digencarkan oleh pemerintah untuk membantu industri garmen dalam negeri. Namun, belum ada perubahan signifikan terhadap permasalahan tersebut sehingga perlu adanya perlindungan yang kuat untuk produk garmen agar tetap bertahan di pasar domestik. Artikel ini akan fokus mengkaji mengenai aturan mengenai impor pakaian bekas. Penelitian ini memakai metode penelitian hukum normatif yang melakukan pengkajian secara empiris. Hasil penelitian ini menunjukkan bahwa banyak sekali aturan pemerintah yang telah digencarkan mengenai pakaian impor. Selain itu, artikel ini memberikan pemahaman mengenai tinjauan ekonomi dari UU yang dikemukakan oleh para menteri dan solusi yang harus dihadapi industri garmen.

Available online at <http://dx.doi.org/10.36055/jocse.v2i2.20323>.

1. Introduction

Currently, the Indonesian economy is starting to improve after Covid-19. Many people start a business because the business is convincing and promising. The business that is starting to become popular with the public is the fashion business. This business is supported by an online marketplace, which can help sellers sell their wares to a broader range of buyers. One of the trends in online clothing trading is the increasing sale of used clothing imported from abroad [1]. Generally, "thrifting" is known as imported used clothing. This business can stimulate trade in fashion goods by providing large profits. Still, on the other hand, this business causes losses for the domestic clothing industry. Therefore, the Government is trying to regulate and create regulations for the problem of second-hand clothing, including laws prohibiting import activities from second-hand goods. This regulation is a form of support and policy from the Government so that used imported goods do not enter and do not become an obstacle to the growth of the domestic clothing industry.

One of the Government's efforts to help the clothing industry is to regulate the entry rate of imported clothing with Law Number 7 of 2014 [2]. In article 47, paragraph 1, importers must import clothing in new condition, but sending goods in pristine condition is permissible for various provisions. The law previously explained meets the provisions and requirements of the Ministry of Trade. Minister of Trade Regulation Number 51/M-DAG/PER/7/2015 [3] provides regulations regarding prohibiting importing used goods, while Minister of Finance Regulation Number 26/PMK.010/2022 [4] provides



Journal of Community Service in Science and Engineering (JoCSE) is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

provisions on customs tariffs and conditions that allow it. These policies were created to protect local products from imported goods, which could be detrimental to the community's economy, especially garment companies, local clothing suppliers, and manufacturers who are greatly affected. The clothing industry has less and less interest from year to year and peaked when Covid-19 started to hit. The condition is caused by a shift in clothing trends for young people and teenagers who prefer foreign hype and vintage styles obtained from imported second-hand goods abroad. Besides that, imported goods have cheaper prices despite being from well-known brands. Policies from government stakeholders to be able to meet the basic needs of society have various obstacles, including [5]:

- a. Cannot use and process all the raw goods widely produced into finished or consumer goods.
- b. The population is increasing, which is causing limited resources, market monopoly, and unequal community income.
- c. Indonesia has a dense population, so it faces various obstacles and obstacles in meeting the needs of the community.

Apart from that, clothing products are usually influenced by the tastes of each community. Clothing has many uses; besides practical uses, it also has benefits to show social status and clothing trends in society. Used goods from well-known brands are sold at cheaper prices, but they have many drawbacks, including health threats, declining quality, and unclear sources. The garment industry is significant for the Indonesian economy because it can improve, open up jobs for the community, reduce unemployment, and increase the contribution of exports abroad. Indonesia is one of the countries that receives a lot of used clothing materials from other countries, including South Korea, America, and China. [6]

Used clothing was previously known as "secondhand clothing" (SHC), but over time, people called these items "thrift." The initial aim of allowing used clothing to be imported into Indonesia was to anticipate people who wanted to have a variety of good clothes at affordable prices. But over time, these used imported clothes have given rise to quite serious problems with various kinds of local Indonesian product problems, especially in the garment business. From 2017 until COVID-19 started to appear, there was an increase in the supply of used clothes, and it peaked in 2022 because used clothes began to go viral in various circles of society through social media. This condition is very influential and causes the garment industry's profits to decline. Therefore, it is essential to conduct legal studies and legal analysis regarding protecting garment products for used imported clothing.

2. Method

This research uses a normative legal type of research. As for the study, this time, the research approach used in law-based writing uses a comparative system and legislation that the government has regulated. The characteristics used in this research use descriptive analysis characteristics [7]. This research uses comparative legislation and tertiary, primary, and secondary legal materials. After that, there is such a thing as a data collection technique used in this writing by using literature studies or literature reviews from several existing sources, carrying out new studies, and adding to several existing deficiencies in previous research/as a complement by collecting various data suitable for analysis [8].

The literature study in this research used secondary research studies. After the data is collected, the author will immediately process it. The analytical method used is the normative legal method. The last thing is to conclude, namely drawing conclusions from the discussion that has been discussed and summarizing it into a simple sentence. What is done at the end is providing suggestions for research so that it can help researchers who will discuss somewhat similar discussions later as a reference source [9].

3. Results and Discussion

3.1. *The impact that domestic garment entrepreneurs have on imported clothing*

The increasing number of cases of imported used clothing from large countries is a threat to the textile industry, especially in the garment sector in Indonesia, which is a Small and Medium Industry (IKM). The reason that often arises for not buying local products is because the prices are pretty expensive, so they prefer second-hand products from abroad that are sold on the market. The condition will hurt an industrial company. Some of the effects of used imported clothing include:

- a. The use and supply of imported used clothing from abroad poses a high threat to garment entrepreneurs due to consumers' decreasing interest, which can result in losses and lead to bankruptcy. Desti Febrianti, et al. [10] stated that the large number of used clothing imports was because people were more interested in these products than local products. Apart from that, people get quality brands at low prices. The condition can cause local production to lose taste options and harm the garment industry. In 2018-2019, nine garment industries closed because they were less competitive with thrift products.
- b. The impact that can be felt and occur due to the widespread purchase of used imported clothing means that the garment industry will try to compete and sell goods with cheap quality, so the materials used will inevitably be of low quality. The condition could result in a fall in the quality level of the garment industry in Indonesia.
- c. the impact caused by second-hand imported clothing will cause competition between the garment industry and second-hand imported clothing. The condition is because, of course, the demand for domestic products is decreasing, which will reduce domestic demand levels further and reduce production levels. Also, fellow garment industries will compete to get consumers so that their production stays the same, which will cause unhealthy competition. Based on Dewi, et al. research [11], imported second-hand clothing can be detrimental to SMEs, especially in the garment and textile industry, resulting in a decrease in interest and demand that makes it difficult to compete with imported second-hand clothing.
- d. The final impact is the need for more consumer interest in domestic products, which will reduce the workforce. The condition is caused by the industry's inability to pay workers' salaries due to decreased production. The situation can impact the Indonesian economy, and it will further increase the unemployment rate in Indonesia. The condition can affect increasing unemployment cases due to the large number of employee reductions by industry and difficulty finding suitable work [12].

3.2. *Minimize the negative impact of imported used clothing on domestic garment entrepreneurs*

- a. The establishment of a ban on imports is a government policy regulation created to prevent the entry of various kinds of imported goods into the domestic market system in Indonesia. Therefore, this policy was created to minimize the negative impact of certain imported goods on society. Even though the average WTO economy is prohibited from regulating exports and imports quantitatively, as stated in Article XI GATT 1994, security

measures can be used to avoid domestic market losses due to the entry of imported goods. Some conditions must be met for security measures to be enforced; the country must adjust market conditions and consumer interests by the provisions of security measures to compete with international markets. The government can do this by making regulations to help the industry avoid the negative impacts caused by the large number of second-hand imported goods rampantly beating local production. However, this action is temporary because it will negatively impact the nation's cooperation with foreign countries and impact Indonesia's image in the eyes of the world regarding exports and imports. However, it cannot be denied that creating similar products will help the garment industry increase sales and production. [6]

- b. The efforts that the government can make at this time to help the garment industry and minimize the import of used goods from abroad are to make general regulations regarding imports regulated by the Decree of the Minister of Trade and Cooperatives Number 28 1982 [13], which is still in use at this time and has not yet been implemented. In Law No. 10 of 1995 [14] regarding customs, the Directorate General of Customs and Excise regulates and supervises import-export activities through the customs area. Indonesia is a country that has sea borders with other countries, so customs have a significant role in preventing the concealment of goods that have been banned for import. Article 3 of the Law on the Minister of Industry and Trade states that imported goods must be new. Regulation Number 642/MPP/kep/9/2002 [15] was issued on September 23, 2002, prohibiting the import of used goods into Indonesia to protect the Indonesian economy from the domestic market [16].

3.3. Standardization of Minister of Trade Regulations

One of the reasons the government prohibits second-hand clothing from being imported into the community is because many diseases can be transferred and endanger the population, as regulated in Law No. 7 2014 [2] concerning trade, which requires imported goods to be in new condition. It is aimed at the public because imported clothing can be dangerous because, after clinical testing, there are various kinds of fungi and bacteria, especially in used clothing. Apart from this problem, a law was created to help small garment industries in Indonesia. This rule is further emphasized in Law No. 7 2014 [2] concerning Trade, which states: [17]

- a. When importing, an importer must import it in a new condition,
- b. However, in certain circumstances, the Minister can allow the import of used clothing, and the Minister regulates this good Minister article (1),
- c. The stipulation of Article (2) will be given to the Minister of Finance so that it can be managed further,
- d. As stated in Article (2), the regulations that have been regulated are legally regulated by Ministerial regulations stipulated and supported by the President. [18]

In terms of allowing the import of goods in some instances, as stated in the article, the meaning is that the goods required by an import business actor are capital goods and second-hand goods but are not met domestically, so there is a need for an import process for industrial purposes and the development of exports in the country. Indonesia, increasing competitiveness, business efficiency, investment, industrial relocation, infrastructure development, and re-export. Apart from that, objects needed when a natural disaster occurs require used goods to be imported by the laws regulated by the government in certain circumstances. After that, the government issued another regulation by the Minister of Trade, held in Number 48/M-DAG/PER/7/2015 [19], which was formed to meet domestic needs that currently cannot be completed by the domestic market in the form of national industrial production or public consumption. It was further confirmed in the Minister of Trade Regulation Number 51/M-DAG/PER/7/2015 [3], where it was considered that imported used clothing contains several bacteria and viruses that can be transported and endanger public health. So, in this case, its use is prohibited to anticipate various imported diseases transferred through imported clothing.

Therefore, arrangements must be made to prevent bad things that can happen from using clothes. For health reasons, the government issued a policy on trading in imported second-hand clothing through a regulation from the Minister of Trade Number 51/M-DAG/PER/7/2015 regarding the prohibition on using imported second-hand clothing. The ban that the Minister of Trade has established is absolute and absolute to keep people away from various infectious diseases from multiple countries that can be dangerous. Apart from that, it's not just for health; it's also an economic pillar; importing second-hand clothes is an obstacle to economic progress for industry. This regulation is intended to help various production industries, such as the garment and textile industry, so they do not compete with cheaper imported used clothing [20].

According to the report of the Indonesian Trade Security Committee, imports of used products threaten Indonesia's industrial economy when viewed from macro and micro economic studies. Microeconomics deals more with a more refined range of matters than macroeconomics, as regulated in Minister of Trade Regulation Number 51/M-DAG/PER/7/2015 [20] concerning microeconomics. In fact, in the regulation in Article 2, an explanation is given that used clothing is not allowed to enter the Indonesian import area. The benefit is that it provides market stability and protects producers in choosing products. An example of this is a trader buying used imported clothes at a cheap price and selling them at an affordable price; in this case, it is very detrimental to the economic pillar and the industry in Indonesia. The government must protect the local garment industry so that micro businesses can increase in the domestic market. This protection can be done by providing tax relief to local drivers in the domestic garment industry and industries with an export market share. High taxes are also one of the factors that cause the garment industry to raise the prices of its products, causing more and more people to choose to use imported second-hand clothing products. Then, the garment industry because it is considered cheaper.

4. Conclusion

Imported goods permitted for sale are new goods and have never been used. Imported used goods can be bought and sold in the domestic market with several conditions. Legal norm polemics that often arise are hyper regulation, regulations that are not in line (conflicting), overlapping, multiple interpretations, non-compliance with principles (inconsistency), ineffective, creating unnecessary burden (unnecessary burden), and creating a high-cost economy. The anticipation for this polemic is to raise people's living standards, which is the government's primary task. Stopping imports of used clothing in the country must be firm by issuing fines to sellers and users of apparel. In addition, tariffs on imported used clothing may be increased even higher. The success of these regulations depends on the government's firmness and active community participation. Minister of Tourism and Creative Economy Sandiaga Uno said that only second-hand clothes that can be bought and sold are domestically used. Used goods entrepreneurs can sell local products so that economic turnover can increase, can help businesses, and does not harm many parties.

REFERENCE

- [1] Simangunsong, D. P., Purba, N., & Affan, I. (2021). Tinjauan yuridis pencegahan penyelundupan ballpress di wilayah hukum kepolisian Resort Asahan dalam perspektif KUHP (Studi Putusan Nomor 85/Pid. Sus/2018/PN. Tbk). *Jurnal Ilmiah Metadata*, vol. 3, no. 3, pp. 931-954.
- [2] Indonesian government. (2014). *Law Number 7 of 2014 concerning Trade*. Republic of Indonesia Gazette 2014, No. 56. Jakarta: State Secretariat.
- [3] Minister of Trade. (2015). *Minister of Trade Regulation Number 51/M-DAG/PER/7/2015 of 2015 concerning Prohibition of the Import of Used Clothing*. Jakarta: Minister of Trade.
- [4] Minister of Finance. (2015). *Minister of Finance Regulation Number 26/PMK.010/2022 concerning Determination of the Goods Classification System and Charging Import Duty Rates on Imported Goods*. Jakarta: Minister of Finance.
- [5] Arif, M., & Fahmi, S. (2022). Penerapan sanksi terhadap importir barang yang tidak baru di Kabupaten Indragiri Hilir berdasarkan Undang-Undang Nomor 07 Tahun 2014 Tentang Perdagangan. *UIR Law Review*, vol. 6, no. 2, pp. 72-82.
- [6] Pratiwi, L. (2018). Harmonisasi dan sinkronisasi hukum terhadap perbedaan pengaturan barang impor dalam keadaan baru. *Jurnal Hukum Ius Quia Iustum*, vol. 25, no. 1, pp. 69-91.
- [7] Soekanto, S. (2007). *Penelitian Hukum Normatif: Suatu Tinjauan Singkat*. Jakarta: PT. Raja Grafindo Persada.
- [8] Ibrahim, J. (2006). *Teori dan Metodologi Penelitian Hukum Normatif*. Malang: Bayumedia Publishing.
- [9] Hanitijo, R. (1993). *Metode Penelitian Hukum*. Jakarta: Ghalia Indo.
- [10] Febrianti, D., Nisyak, H., & Abror, M. Y. (2022). Analisis dampak impor pakaian bekas ilegal Indonesia periode 2015-2020. [Final Project]. Palembang: Universitas Sriwijaya.
- [11] Dewi, N. M. I. K., Widiati, I. A. P., & Utama, I. N. (2020). Implikasi penjualan pakaian bekas impor bagi konsumen di Kota Denpasar. *Jurnal Interpretasi Hukum*, vol. 1, no. 1, pp. 216-221.
- [12] Yaneski, A. F., Susiatiningsih, H., & Dir, A. A. B. (2018). Implementasi kebijakan penanganan penyelundupan pakaian bekas di Provinsi Riau, Indonesia. *Journal of International Relations*, vol. 4, no. 2, pp. 295-302.
- [13] Minister of Trade and Cooperatives of the Republic of Indonesia. (1982). *Decree of the Minister of Trade and Cooperatives of the Republic of Indonesia No. 28/Kp/1/82 about. General Provisions in the Import Sector*. Jakarta: Minister of Trade and Cooperatives of the Republic of Indonesia.
- [14] Indonesian government. (1995). *Law of the Republic of Indonesia Number 10 of 1995 concerning Customs*. Jakarta: State Secretariat.
- [15] Minister of Industry and Trade. (2002). *Decree of the Minister of Industry and Trade Number: 642/Mpp/Kep/9/2002 concerning Amendments to Annex I to Decree of the Minister of Industry and Trade Number 230/Mpp/Kep/7/1997 concerning Goods which are Subject to the Import Trade Procedure*. Jakarta: Minister of Industry and Trade.
- [16] Siagian, N. S. B., Sirait, N. A. G., Wardahlia, F., & Khazanah, K. (2023). Analisis pengaruh impor baju bekas terhadap pengusaha tekstil dalam negeri di Indonesia. *Madani: Jurnal Ilmiah Multidisiplin*, vol. 1, no. 4, pp. 171-179.
- [17] Indradewi, A. S. N., & Windayati, N. P. S. (2019). Tanggung jawab pelaku usaha terhadap penjualan pakaian bekas impor yang merugikan konsumen di pasar kodok tabanan. *Kerta Dyatmika*, vol. 16, no. 2, pp. 1-11.
- [18] Firdausy, K. A., & Sudarwanto, A. S. (2022). Implementasi peraturan Menteri Perdagangan Nomor 51/M-DAG/PER/7/2015 tentang larangan impor pakaian bekas di Kota Surakarta. *Prosiding Seminar Nasional UNIBA Surakarta*, pp. 141-147.
- [19] Minister of Trade. (2015). *Minister of Trade Regulation Number 48/m-dag/per/7/2015 of 2015 concerning General Provisions in the Import Sector*. Jakarta: Minister of Trade.
- [20] Naldi, A., Kastulani, M., & Hidayat, N. (2023). Studi komparatif peredaran barang impor bekas berdasarkan Peraturan Menteri Perdagangan Nomor: 51/M-DAG/PER/7/2015 dengan Peraturan Menteri Keuangan Nomor: 6/PMK. 010/2022. *Journal of Sharia and Law*, vol. 2, no. 2, pp. 536-555.