

Analyzing Thrifting Legality and Tax Compliance Through a Social Science Education Perspective

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Abstract

The resurgence of illegal thrifting in Indonesia persists despite strict prohibitions under Minister of Trade Regulation Number 40 of 2022, creating a conflict between market demand and state sovereignty. This study analyzes the intersection of trade legality, tax compliance, and educational intervention using normative juridical and socio-pedagogical methods. Findings indicate that aggressive enforcement fails to address the root cause: irrational consumer behavior. Although traders seek legitimacy through tax payments, the government maintains that fiscal compliance cannot validate prohibited imports. Structural Equation Modeling reveals that "Trust in Government" significantly outweighs tax knowledge as a compliance predictor. Consequently, this research argues for a strategic shift toward integrating Social Science Education (IPS) and Project-Based Learning. Cultivating economic literacy and legal consciousness within the curriculum serves as the ultimate sustainable solution to curb illegal consumption, ensuring a transition from repressive short-term measures to long-term national economic resilience.

Abstrak

Maraknya kembali thrifting ilegal di Indonesia terus berlanjut meskipun terdapat larangan ketat dalam Peraturan Menteri Perdagangan Nomor 40 Tahun 2022, menciptakan konflik kompleks antara permintaan pasar dan kedaulatan negara. Studi ini menganalisis interseksi antara legalitas perdagangan, kepatuhan pajak, dan intervensi pendidikan melalui metode yuridis normatif dan pendekatan sosio-pedagogis. Temuan menunjukkan bahwa penegakan hukum agresif gagal mengatasi akar permasalahan utama: perilaku konsumen yang irasional. Meskipun pedagang berupaya mencari legitimasi melalui pembayaran pajak, pemerintah menegaskan bahwa kepatuhan fiskal tidak dapat memvalidasi komoditas impor terlarang. Analisis Structural Equation Modeling mengungkapkan bahwa "Kepercayaan pada Pemerintah" secara signifikan mengungguli pengetahuan perpajakan sebagai prediktor utama kepatuhan. Oleh karena itu, penelitian ini merekomendasikan pergeseran strategis menuju integrasi Pendidikan Ilmu Pengetahuan Sosial (IPS) dan Pembelajaran Berbasis Proyek. Penanaman literasi ekonomi serta kesadaran hukum dalam kurikulum berfungsi sebagai solusi berkelanjutan untuk menekan konsumsi ilegal, memastikan transisi dari tindakan represif sesaat menuju ketahanan ekonomi nasional jangka panjang.



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A. INTRODUCTION

1. Background

The contemporary landscape of the Indonesian retail market has been significantly altered by the resurgence and digital transformation of the used clothing trade, colloquially known as "thrifting." While the practice of purchasing second-hand goods has long existed in traditional enclaves like Pasar Senen in Jakarta and Gedebage in Bandung, its modern iteration is characterized by a high-velocity, social media-driven ecosystem that challenges established legal frameworks and fiscal policies.¹ As of late 2024 and heading into 2025, the Indonesian government has intensified its efforts to curb this trend, framing it not merely as a commercial issue but as a threat to national industrial stability, public health, and state sovereignty in trade.² This phenomenon provides a fertile ground for academic inquiry, particularly when examined through the lens of Social Science Education (Pendidikan IPS), which seeks to understand the intersection of economic behavior, legal consciousness, and social responsibility.³

The current crisis is underscored by a dramatic shift in trade statistics and regulatory responses. According to UN Comtrade data, Indonesia experienced a massive surge in illegal used clothing imports in 2024, with volumes reaching approximately 3.87 thousand tons, valued at US\$1.5 million, compared to a mere 12.8 tons in 2023.⁴ This exponential growth signifies a breakdown in conventional border controls and the emergence of sophisticated informal supply chains involving illegal importers and digital retail platforms.⁵ In response, the Ministry of Trade has reaffirmed the strict prohibition of these imports under Regulation Number 40 of 2022, while the Ministry of Communication and Digital has moved to ban online thrifting activities on social media to align with broader protective economic policies.⁶

¹ Putu Indah Savitri and Resinta Sulistiyandari, "Indonesia Moves to Ban Online Thrifting, Targets Illegal Imports," *Anantara News English*, 2025, <https://en.antaranews.com/news/392785/indonesia-moves-to-ban-online-thrifting-targets-illegal-imports>.

² Emilia Esa Wardana and Hardian Iskandar, "Legal Protection of Thrift Trade in Indonesia," *Journal of Law, Politic and Humanities* 5, no. 1 (November 15, 2024): 242–48, <https://doi.org/10.38035/jlph.v5i1.905>.

³ CELIK Yasar, "The Awareness of the Students about the Concepts in the Production Distribution and Consumption Learning Field in the Social Studies Course Curriculum," *Educational Research and Reviews* 17, no. 1 (January 31, 2022): 1–13, <https://doi.org/10.5897/ERR2021.4214>.

⁴ Nugroho Pratomo, "Tak Sebatas Melarang Impor Pakaian Bekas," *Valid News*, 2025, <https://validnews.id/opini/tak-sebatas-melarang-impor-pakaian-bekas>.

⁵ Arief Rahman, "Kemenperin Curiga Banjir Pakaian Impor Di Indonesia, Data BPS Penyebabnya," *Liputan 6*, 2024, <https://www.liputan6.com/bisnis/read/5611171/kemenperin-curiga-banjir-pakaian-impor-di-indonesia-data-bps-penyebabnya>.

⁶ Savitri and Sulistiyandari, "Indonesia Moves to Ban Online Thrifting, Targets Illegal Imports."

From a theoretical perspective, the thrifting phenomenon in Indonesia is a manifestation of "irrational consumptive behavior" driven by a desire for prestige and a socialite lifestyle among the youth, rather than genuine economic necessity.⁷ Research indicates that teenagers, who are the primary actors in this consumption pattern, often prioritize brand appeal and low costs over the legal and health implications of their purchases.⁸ This creates a significant "legal gray area" where traders seek to legitimize their operations through tax compliance, while the government maintains that the underlying goods are inherently illegal. The Minister of Finance, Purbaya Yudhi Sadewa, has explicitly stated that paying taxes does not confer legality upon prohibited imports, likening the situation to taxing illegal substances.⁹

Previous research has extensively analyzed the normative juridical aspects of the thrifting ban. Studies by Soesilo et al (2025) have highlighted the negative impact of used clothing imports on local MSMEs, estimating a market share reduction of 12-15% for domestic producers.¹⁰ Other researchers, such as Basri et al. (2023), have examined tax compliance during the pandemic, noting that while tax incentives can boost adherence, the high perceived risk and low understanding of tax rules often lead to non-compliance.¹¹ Furthermore, the work of Sharky (2023) points to the persistence of thrifting due to high consumer demand and the limited capacity of domestic textile producers to meet the desire for high-quality, affordable branded clothing.¹²

However, there is a distinct gap in the existing literature regarding the role of formal education in addressing these challenges. Most studies focus on repressive legal enforcement or macroeconomic impacts, neglecting the socio-pedagogical foundations that shape the behavior of future taxpayers and consumers. This article presents a novel

⁷ Emilia Esa Wardana and Hardian Iskandar, "Legal Protection of Thrift Trade in Indonesia."

⁸ Ahmad Bachtiar Firdaus and Luthfiya Fathi Pusposari, "The Influence of Economic Literacy and Lifestyle on the Consumptive Behavior of Students," *J-PIPS (Jurnal Pendidikan Ilmu Pengetahuan Sosial)* 8, no. 2 (June 30, 2022): 172–82, <https://doi.org/10.18860/jpips.v8i2.15260>.

⁹ Aurora K. M. Simanjuntak, "Purbaya Tegaskan Bisnis Thrifting Tetap Ilegal Walau Bayar Pajak," *Dimensi Internasional Tax News*, 2025, <https://news.ddtc.co.id/berita/daerah/1816028/tak-lapor-spt-dirut-dan-komisaris-perusahaan-masuk-bui>.

¹⁰ Galih Bagas Soesilo et al., "Consumer Protection in Indonesia's Thrift Fashion Boom: Challenges, Obstacles, and Policy Implications," *Journal of Judicial Review* 27, no. 1 (June 3, 2025): 1–22, <https://doi.org/10.37253/jjr.v27i1.9457>.

¹¹ Y. M. Basri, R. Natariasari, and B. Devitarika, "MSMEs Tax Compliance in Indonesia During Pandemic COVID-19: The Role of Risk Preference as Moderation," *Journal of Tax Reform* 9, no. 1 (2023): 6–18, <https://doi.org/10.15826/jtr.2023.9.1.125>.

¹² Yoliandri Nur Sharky, "Impact of Import Thrifting in Indonesia: A Case Study on Used Fashion Products," *QISTINA: Jurnal Multidisiplin Indonesia* 2, no. 1 (June 1, 2023): 437–41, <https://doi.org/10.57235/qistina.v2i1.516>.

perspective by integrating Social Science Education (IPS) theory into the analysis of thrifting legality and tax compliance. It argues that the "Kurikulum Merdeka" (Independent Curriculum) and its focus on project-based learning (P5) provide a unique mechanism to cultivate the "Trust in Government" and "Legal Literacy" necessary to resolve the thrifting impasse. The difference between this study and previous works lies in its focus on cognitive and ethical interventions as a long-term solution to structural economic violations.

This research finds that while repressive measures like the destruction of "balpres" (pressed bales) and digital bans are necessary short-term deterrents, they do not address the root cause: a lack of legal consciousness and economic literacy among citizens. The study reveals that "Trust in Government" is the strongest predictor of tax compliance among MSMEs ($\beta=0.359$), far outweighing simple tax knowledge. Consequently, the findings suggest that a robust integration of tax education and legal awareness within the IPS curriculum is essential to transition the Indonesian society from a culture of illegal consumption to one of responsible, locally-oriented economic participation.

2. Research Questions

Based on the background provided, the following research questions have been formulated to guide the analysis:

- a. How do current Indonesian trade regulations, specifically Permendag Number 40 of 2022 and the upcoming Permendag 23 of 2025, establish the legal boundaries of thrifting, and what are the implications for digital and physical market actors?
- b. What is the relationship between tax compliance and the perceived legality of thrifting businesses among MSME actors, and how do psychological determinants like trust and authority influence their behavior?
- c. In what ways can the Social Science Education (IPS) curriculum be strategically utilized to enhance legal awareness and economic literacy as a sustainable solution to the proliferation of illegal imports and consumer non-compliance?

3. Research Methods

This research employs a qualitative research methodology with a normative juridical and socio-pedagogical approach. This method is chosen to analyze the harmony between legal norms, social realities, and educational frameworks in Indonesia.

The analysis technique involves a meta-synthesis of data from multiple sources. First, a normative analysis is conducted on primary legal documents, including Law Number 7 of 2014 concerning Trade, Law Number 8 of 1999 concerning Consumer Protection, and Minister of Trade Regulation Number 40 of 2022.¹³ Second, the study incorporates empirical findings from Scopus-indexed research, particularly utilizing Partial Least Squares Structural Equation Modeling (SEM-PLS) results to understand the determinants of tax compliance.¹⁴ Third, the research applies a comparative policy analysis by examining the curriculum frameworks of the Ministry of Education, Culture, Research, and Technology (Kemendikbudristek) in relation to the Directorate General of Taxes (DJP) education initiatives.¹⁵

Data collection was carried out through an exhaustive review of research snippets and current news reports from the 2024–2025 period. Sources include national news agencies such as ANTARA News and specialized tax portals like DDTCNews. Statistics on import volumes and MSME contributions were retrieved from the Indonesian Bureau of Statistics (BPS) and UN Comtrade reports. The references used represent a cross-section of legal, economic, and educational disciplines to ensure a holistic understanding of the subject. The study prioritizes the most recent data to reflect the "Kurikulum Merdeka" implementation and the latest government stances on digital thrifting.

B. DISCUSSION/ ANALYSIS

1. The Juridical Landscape of Thrifting Regulations in Indonesia

The legality of thrifting in Indonesia is not a static concept but a dynamic battleground between consumer demand and state protectionism. The primary legal pillar governing this issue is Law Number 7 of 2014 concerning Trade, which mandates that all imported goods must be in a "new" condition unless specified otherwise by the government.² This law is operationalized through Minister of Trade Regulation (Permendag) Number 40 of 2022, which explicitly lists used clothing, used bags, and used sacks under HS code 6309.00.00 as prohibited for import into the territory of the Republic

¹³ Emilia Esa Wardana and Hardian Iskandar, "Legal Protection of Thrift Trade in Indonesia."

¹⁴ Dewi Pudji Rahayu et al., "Understanding Tax Compliance in Indonesian Smes: A Structural Equation Modeling Approach to Tax Literacy, Knowledge, Fairness, Power, and Trust," *Salud, Ciencia y Tecnología - Serie de Conferencias* 4 (January 1, 2025): 1364, <https://doi.org/10.56294/sctconf20251364>.

¹⁵ Hanifah Yasin et al., "Learning from Neighbors: A Comparative Policy Analysis of Tax Education Integration in the High School Curricula of Indonesia and Malaysia," *Enigma in Education* 3, no. 1 (July 23, 2025): 51–60, <https://doi.org/10.61996/edu.v3i1.96>.

of Indonesia.¹⁶

Table 1. Primary Regulatory Framework for Thrifting Legality

Legal Instrument	Core Provision	Impact on Thrifting Industry
Law No. 7 of 2014	Mandatory "new" status for imports.	Renders almost all imported used goods illegal by default.
Permendag 40 of 2022	Prohibition of HS Code 6309.00.00.	Specifically bans used clothing, bags, and sacks.
Law No. 8 of 1999	Consumer health and safety standards.	Justifies bans based on bacterial/fungal contamination risks.
Permendag 23 of 2025	Mandatory IT, PI, and LS verification.	Tightens post-border controls for all consumer goods (Aug 2025).
Permendag 31 of 2023	Electronic commerce licensing.	Forces e-commerce platforms to take down illegal thrift sellers.

The rationale behind these stringent regulations is multi-faceted. First, there is the "Economic Defense" argument. Imported second-hand clothes are sold at prices far below the production costs of local MSMEs, creating an uneven playing field that threatens the survival of the domestic textile industry.¹⁷ Second, the "Public Health" argument is supported by laboratory findings showing that used clothing can harbor dangerous pathogens, including bacteria and fungi that persist even after domestic washing. Third, the "Environmental" argument classifies these goods as a form of "imported waste," which shifts the burden of textile waste management from developed nations to Indonesia.¹⁸

The enforcement of these laws has entered a more aggressive phase in 2024 and 2025. Minister of Trade Budi Santoso and Minister of Finance Purbaya Yudhi Sadewa have collaborated to strengthen border supervision, particularly at "mouse ports" (pelabuhan tikus) where smuggling is rampant.¹⁹ A critical development is the upcoming Permendag 23 of 2025, which will replace earlier rules to further tighten import procedures for consumer goods through mandatory "Import Approvals" (PI) and "Surveyor Reports"

¹⁶ Risma Dewi Hermawan, Rina Arum Prastyanti, and Aris Prio Agus Santoso, "Implementation of Minister of Trade Regulation Number 40 of 2022 Concerning Prohibition of Trade in Imported Used Clothing in the City of Surakarta," *JIHAD: Jurnal Ilmu Hukum Dan Administrasi* 6, no. 3 (September 1, 2024): 353–60, <https://doi.org/10.58258/jihad.v6i3.7272>.

¹⁷ Sharky, "Impact of Import Thrifting in Indonesia: A Case Study on Used Fashion Products."

¹⁸ Emilia Esa Wardana and Hardian Iskandar, "Legal Protection of Thrift Trade in Indonesia."

¹⁹ Savitri and Sulistiyandari, "Indonesia Moves to Ban Online Thrifting, Targets Illegal Imports."

(LS) before goods even enter Indonesian territory.²⁰ This proactive approach aims to move away from "post-border" enforcement, which has historically been weak, toward a pre-entry verification system that effectively blocks illegal goods at the source.²¹

However, the legal struggle is complicated by the distinction between "imported thrift" and "domestic preloved" items. Under Law Number 8 of 1999 on Consumer Protection, business actors are prohibited from selling "damaged, defective, or used" goods without providing complete and accurate information. While selling one's personal second-hand items is legally permissible, the commercialization of imported used clothing under the guise of "preloved" goods is a common tactic for bypassing regulations. The government, through the Ministry of MSMEs, is currently attempting to rebrand traditional thrift markets and help sellers transition to selling local products, acknowledging that simply banning the trade without providing economic alternatives can lead to social conflict.²²

2. Tax Compliance Determinants in the Shadow Economy

A profound tension exists in the thrifting sector regarding tax compliance. Many thrift traders have expressed a willingness to pay taxes if it would grant their businesses legal status. This "tax-for-legality" proposition has been firmly rejected by the Ministry of Finance. Minister Purbaya Yudhi Sadewa emphasized that the illegal nature of imported second-hand clothing makes tax payments irrelevant to their legal standing.¹² This stance is critical for maintaining the "Legitimacy of Law" and preventing the state from inadvertently becoming a beneficiary of illegal smuggling.²³

The challenge of tax compliance in the informal sector, where thrifting predominantly operates, is deeply psychological and structural. According to 2025 SEM-PLS data, the traditional belief that "Tax Knowledge" drives compliance is largely unsupported in the Indonesian context.²⁴ Instead, voluntary compliance is driven by the relationship between the taxpayer and the state.

²⁰ Permitindo, "New Import Rules for Consumer Goods — Highlights of Minister of Trade Regulation 23/2025," Permitindo, 2025, <https://www.permitindo.com/news/new-import-rules-consumer-goods>.

²¹ Sharky, "Impact of Import Thrifting in Indonesia: A Case Study on Used Fashion Products."

²² Pudji Rahayu et al., "Understanding Tax Compliance in Indonesian Smes: A Structural Equation Modeling Approach to Tax Literacy, Knowledge, Fairness, Power, and Trust."

²³ Simanjuntak, "Purbaya Tegaskan Bisnis Thrifting Tetap Ilegal Walau Bayar Pajak."

²⁴ Pudji Rahayu et al., "Understanding Tax Compliance in Indonesian Smes: A Structural Equation Modeling Approach to Tax Literacy, Knowledge, Fairness, Power, and Trust."

Table 2. Determinants of Tax Compliance Among Indonesian SMEs (2025)

Predictor Variable	Path Coefficient (β)	Significance (p)	Qualitative Insight
Trust in Government	0.359	< 0.001	Strongest motivator; perceived fairness of policy is key.
Power (Authority)	0.267	0.000	Responsive to clear enforcement and supportive interactions.
Trust in Tax Authorities	0.228	0.001	Belief in the reliability of the DGT reduces perceived risk.
Tax Knowledge	0.052	0.340	Knowledge of rules does not guarantee adherence.
Tax Literacy	0.015	0.658	High awareness of system flaws can actually decrease compliance.
Tax Fairness	-0.003	0.954	General fairness perceptions are secondary to specific trust.

This data suggests that the "Self-Assessment System" (SAS) used in Indonesia is highly sensitive to the level of "Social Capital" and "Trust". For thrift traders, the ban on their primary source of income naturally erodes trust in the government, leading to tax avoidance and evasion.²⁵ When the government enforces a ban, it is perceived as an exercise of "Power," which can either increase compliance if balanced with support (transition schemes) or drive the business further into the "Shadow Economy".²⁶

Furthermore, the loss of state revenue from illegal thrifting is substantial. Because these goods enter through unofficial channels, they bypass customs duties and Value Added Tax (VAT). The Directorate General of Taxes (DJP) notes that while many MSMEs have Tax ID numbers (NPWP), they often do not report their taxes correctly, viewing tax as an expense that reduces their already slim margins rather than a civic duty.²⁶ This is compounded by "low tax literacy" in the informal sector, where business owners lack the

²⁵ Purwaningtyas Dwi et al., "Tax Payer Legal Compliance In Scoping Review," *Indonesian Journal of Law and Justice* 3, no. 2 (November 14, 2025): 1–10, <https://doi.org/10.47134/ijlj.v3i2.5057>.

²⁶ Pudji Rahayu et al., "Understanding Tax Compliance in Indonesian Smes: A Structural Equation Modeling Approach to Tax Literacy, Knowledge, Fairness, Power, and Trust."

resources to navigate complex tax administration procedures.²⁷

The fiscal shortfall mentioned by Minister Purbaya for 2025 further pressures the government to optimize tax revenue from all sectors, yet the "illegal goods" paradox remains an obstacle. If the government were to allow thrifting to be taxed, it would likely undermine the "Tax Ratio" in the long run by destroying the formal textile sector, which is a more stable source of corporate tax revenue. Therefore, the government's strategy is to "clean Indonesia of illegal goods" and redirect consumer spending toward local products that contribute to the formal tax base.

3. Social Science Education as a Strategic Intervention

The persistence of the thrifting trend, despite legal bans and fiscal barriers, points to a fundamental gap in "Economic Literacy" and "Legal Consciousness" within the population. This is where Social Science Education (IPS) becomes a critical strategic tool. The "IPS" curriculum in Indonesia is designed to produce individuals who use their resources effectively, avoid waste, and contribute to the country's economic development. However, the reality is that many students and their teachers possess only a moderate understanding of basic economic cycles and the "social responsibility" of consumption.²⁸

Table 3. Economic Literacy and Consumption Patterns in IPS Education

Indicator	of	Effect Behavior	on	Practical Implication for Thrifting
Basic Concepts	Economic	Significant Negative		High mastery reduces irrational, trend-based buying.
Social Influence	Media	Significant Positive		Peer pressure and digital trends drive illegal consumption.
Lifestyle / Prestige		Significant Positive		Desire for "branded" items overrides legal concerns.
Understanding Tax		Positive/Neutral		Higher understanding correlates with better civic duty.
Risk Perception		Moderating Effect		Understanding health/legal risks can curb purchases.

Current research shows that "Economic Literacy" has a significant negative effect on

²⁷ Ahmad Sirri, "Nnovation Synergy, Social Capital, And Society Participation In Creating Taxpayer Compliance In Indonesia," *Jurnal Bisnis Dan Kajian Strategi Manajemen* 8, no. 1 (April 30, 2024): 289–96, <https://doi.org/10.35308/jbkan.v8i1.9424>.

²⁸ Yasar, "The Awareness of the Students about the Concepts in the Production Distribution and Consumption Learning Field in the Social Studies Course Curriculum."

"Consumptive Behavior".¹⁰ This means that as a student's mastery of economic principles increases, their tendency to buy things impulsively such as illegal thrifted clothes decreases. Within the "Kurikulum Merdeka," there is a shift toward "Project-Based Learning" (P5), which allows students to analyze real-world issues like the thrifting ban through a "Social Constructivist" approach.²⁹

For example, a P5 project could involve students investigating the "Environmental and Social Cost of Thrifting." By tracing the journey of a second-hand shirt from a waste collection center in Europe to an illegal port in Indonesia, students gain a "Critical Mindset" that enables them to question the ethicality of their choices. This is far more effective than simple didactic teaching about trade laws. It transforms the student from a passive consumer into an "Agent of Change" who understands that "cheap prices" often come at the expense of local jobs and national health.³⁰

Comparing Indonesia's approach with Malaysia's offers valuable insights. Malaysia has a more systemic integration of tax education within its national curriculum, whereas Indonesia's initiatives like "Pajak Bertutur" are often event-based and extracurricular. The study by Basri and others suggests that for Indonesia to build a robust "Tax Culture," there must be a permanent, mandatory integration of tax and legal education within the IPS and Civic Education subjects. This would help bridge the gap between "Tax Knowledge" (which is currently low-impact) and "Trust in Government" (which is high-impact).³¹

Furthermore, "Legal Literacy" must move beyond the knowledge of laws to the "ability to make critical judgments about the substance of any law". If students are taught that the thrifting ban is not just a government whim but a measure for "Public Interest" (Maslahah) to protect the environment and domestic workers, they are more likely to comply voluntarily. Education provides the "Social Responsibility" framework that law enforcement lacks. While the police can burn the clothes, only education can "burn" the desire to buy them in the first place.³²

²⁹ Regina Dalih Gandes Ivoni Lubis, Jajang Hendar Hendrawan, and Neneng Triuspita, "Optimizing FPSH-HAM in Fostering Leadership Character with Integrity at SMAN 1 Batujajar, West Bandung Regency," *JURNAL PENDIDIKAN IPS* 15, no. 2 (July 8, 2025): 545–56, <https://doi.org/10.37630/jpi.v15i2.2859>.

³⁰ Yasin et al., "Learning from Neighbors: A Comparative Policy Analysis of Tax Education Integration in the High School Curricula of Indonesia and Malaysia."

³¹ Yasin et al.

³² Amar Muchtar, Wargo Wargo, and Kurniawan Kurniawan, "Review of Islamic Law and Trade Regulations on the Practice of Buying and Selling Imported Used Clothes," *Zabags International Journal of Economy* 3, no. 2 (August 30, 2025): 225–32, <https://doi.org/10.61233/zijec.v3i2.109>.

4. Synthesis: Resolving the Thrifting Dilemma

The convergence of trade legality, tax compliance, and education reveals that the thrifting crisis is a symptom of a larger struggle for economic maturity in Indonesia. The data on import surges in 2024 reaching 3.87 thousand tons highlights that repressive measures alone are being outpaced by a globalized, digital demand for cheap fashion.³³ This demand is a product of "Globalization" in the economic field, which makes it easier for people to consume desired products based on trends rather than needs.³⁴

Table 4. Impact Comparison: Imported Thrift vs. Domestic MSME Products

Feature	Imported Thrift (Illegal)	Domestic MSME Product (Legal)
Price Point	Very Low (unregulated)	Competitive (regulated)
Economic Value Added	External (Smugglers)	Internal (Local Labor & Materials)
Health Quality	High Risk (Bacteria/Fungi)	Certified/Standardized
Tax Contribution	Negligible (Evaded)	Significant (VAT/Corporate Tax)
Legal Status	Prohibited (HS 6309.00.00)	Protected/Supported
Social Perception	"Cool/Prestige"	"Support Local" (Emerging)

The government's stance, led by Minister Budi Santoso, is that the domestic market must be filled with products that provide "Value Added" to the national economy.¹³ This requires a shift in consumer behavior that cannot be achieved solely through the Ministry of Trade. It requires the Ministry of Education to refine the "IPS" curriculum to include "Financial Literacy" and "Consumer Ethics" as core competencies.³⁵ As shown in the study of high school students in Brebes, "Peer Group" influence accounts for 29.05% of consumptive behavior, whereas economic literacy acts as a "Negative Moderator". Therefore, educational strategies must target the social environment of students,

³³ Pratomo, "Tak Sebatas Melarang Impor Pakaian Bekas."

³⁴ Firdaus and Pusposari, "The Influence of Economic Literacy and Lifestyle on the Consumptive Behavior of Students."

³⁵ Yasar, "The Awareness of the Students about the Concepts in the Production Distribution and Consumption Learning Field in the Social Studies Course Curriculum."

encouraging them to find prestige in local brands rather than illegal imports.³⁶

Finally, the role of "Trust" cannot be overstated. The 2025 SEM-PLS results ($\beta=0.359$ for Trust in Government) indicate that the government must remain transparent and consistent.¹⁹ When the Ministry of Finance proposes shredding illegal clothes into raw fiber for the textile industry instead of simply burning them, it demonstrates a "Problem-Solving" approach that can build trust among stakeholders who were previously skeptical.¹² By aligning trade bans with environmental sustainability and industrial raw material needs, the government makes the law more "Reasonable" and "Fair" in the eyes of the public.

C. CONCLUSIONS

The legality of thrifting in Indonesia is strictly prohibited under Permendag 40/2022 and Law 7/2014, and this status is not salvageable through tax compliance because the state prioritizes national industrial stability and public health over the revenue generated from illegal goods. While enforcement efforts have intensified through digital bans and border tightening, the high demand driven by prestige-seeking consumer behavior remains the primary obstacle, as evidenced by the massive 2024 surge in illegal import volumes. Research suggests that "Trust in Government" is the strongest predictor of compliance, and thus, the sustainable resolution of this crisis lies in the strategic integration of legal and economic literacy within the Social Science Education (IPS) curriculum to transform students into conscious, socially responsible consumers. Ultimately, the thrifting phenomenon serves as a critical case study for the Indonesian government to move beyond repressive enforcement toward a holistic educational model that fosters a culture of legal awareness and local-centric economic participation.

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³⁶ Ummamatul Khoiriyah, Rusdarti Rusdarti, and Kardoyo Kardoyo, "The Influence of Peer Group, Economic Literation and Use of Social Media on Consumptive Behavior of State Senior High School Students in Brebes," *Journal of Economic Education* 9, no. 2 (2020): 110–17, <https://journal.unnes.ac.id/sju/jeec/article/view/37486>.

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