

The Impact of Trade Minister of the Republic Indonesia Regulation No. 40 to 2022 on Thrift's Decision to Buy Clothes Among Universitas Brawijaya Students

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Abstract. Government policies have the potential to significantly impact consumer behavior, especially in the context of purchasing decisions for thrift clothing. This research aims to analyze the impact of the Regulation of the Minister of Trade of the Republic of Indonesia Number 40 of 2022 on decisions to purchase used clothing at Universitas Brawijaya. The research focus was examined through 5 categories, including target dimensions, social and environmental dimensions, time dimensions, direct cost dimensions, and indirect cost dimensions. This type of research is descriptive research with a qualitative approach. The research results are (1) the target dimension has an impact on reducing MSME income and encouraging the sustainability of the domestic clothing textile industry, (2) the social and environmental dimensions have the potential to minimize textile waste, (3) the time dimension results in a decrease in students' interest in buying second-hand clothes and the potential for a shift to permanent employment for second-hand goods traders in Malang City, (4) the direct cost dimension has an impact on reducing product prices, especially if traders want to use up the stock of goods, but product prices can also increase due to increases in goods tariffs, and (5) the indirect cost dimension results in limited consumer choices in buying clothes and influences used goods dealer income.

Keywords: public policy, purchase decision, thrift clothing, trade policy

1. Introduction

Imported second-hand or thrift clothing has become an increasingly popular choice among Indonesian people, including students when shopping for clothes. Based on data from the Badan Pusat Statistik (BPS) in 2017-2021, the volume and value of used clothing imports continue to increase [1]. In 2017, the import value was US\$1,092,000, totaling 128 tons. However, in 2018, the value of used clothing imports decreased by US\$1,790,000, totaling 108 tons. Furthermore, in 2019, imports of used clothing began to experience a significant increase, namely US\$6,075,000 with a volume of 392 tons, and in 2020, imports of used clothing in Indonesia were only US\$494,000 with 64 tons. Finally, in 2021, indications are that used clothing in Indonesia was valued at US\$44,000 with a volume of 8 tons.

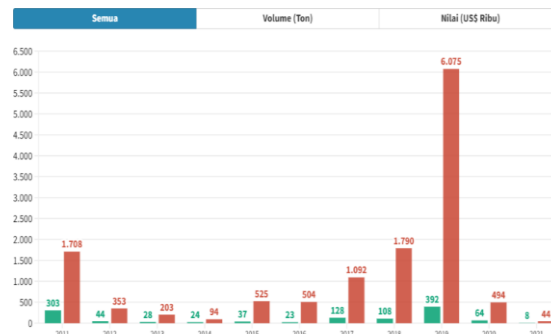
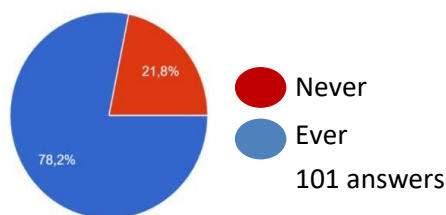


Figure 1. Survey results of the volume and value of Indonesian used clothing imports
Source: Clothing Imports (Badan Pusat Statistik, 2022)

The survey results show that the volume and value of used clothing imports in Indonesia are still high, one of which is in the province of East Java. According to data from [2], 65% of the 20 respondents stated that thrift shopping was popular in the East Java region. Apart from that, respondents aged 21-25 have a percentage of 50% of the 20 who have purchased thrift clothing products, followed by respondents aged 15-20 at 45% and respondents aged 26-30 at only 5%. It can be concluded that the younger generation, especially students, is interested in the thrifting clothing trend.

Universitas Brawijaya is one of the largest universities in Malang City. In 2023, Universitas Brawijaya will have a distribution of 17,622 active students registered in 175 study programs in 18 faculties (ub.ac.id). Furthermore, Universitas Brawijaya students aged 18-25 are highly interested in buying imported used clothing. This is proven by pre-research conducted on 101 respondents; 78.2% answered that they had ever bought imported second-hand clothes, while 21.8% answered that they had never bought imported second-hand clothes. Then, 71.3% of respondents found they were very interested in buying imported second-hand clothes, while the remaining 28.7% had no interest.

Have you ever bought imported used clothes (thrift)?



If so, how interested are you in buying used imported clothes (thrift)?

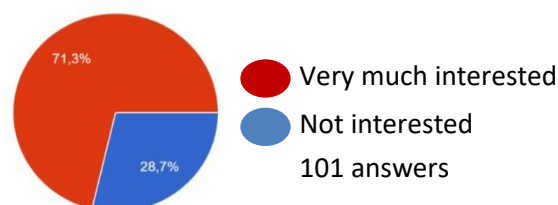


Figure 2. Results of survey of Universitas Brawijaya students' interest in buying imported used clothes (the authors, 2023)

The high volume and value of used clothing imports in Indonesia and student interest in buying imported used clothes, especially at Universitas Brawijaya, make local clothes less able to compete. So, one of the steps the Indonesian government takes is to issue a policy regulation of the Minister of Trade of the Republic of Indonesia Number 40 of 2022 [3]. This policy is the government's effort to protect Micro, Small, and Medium Enterprises (MSMEs) in developing their business and minimize the adverse impact of used clothing imports on health. Therefore, efforts are needed to increase awareness of the impact of used clothing imported from abroad and to prefer local products.

Based on the problems previously described, the volume and value of used clothing imports in Indonesia are significant, and student interest, especially at Universitas Brawijaya, is quite high in buying imported used clothes. Thus, the author is interested in examining the impact of policies made by the government regarding the ban on the import of used clothes, namely the Regulation of the Minister of Trade of the Republic of Indonesia Number 40 of 2022 [3] on the decision to purchase thrift clothes at Universitas Brawijaya.

2. Research Methods

This research aims to analyze the impact of the Regulation of the Minister of Trade of the Republic of Indonesia Number 40 of 2022 on the purchase of thrift clothing at Universitas Brawijaya and provide useful suggestions on how to overcome the negative impacts that may arise from this policy. Therefore, this research uses qualitative methods with descriptive research type to obtain relevant information. Descriptive research reveals facts in the field by observing, recording, analyzing, and concluding. The data source in this research refers to primary data sources obtained through interviews with students in 17 faculties at Universitas Brawijaya. Secondary sources refer to books on administrative studies, thrift clothing prohibition policies, laws, and regulations relating to the concepts studied.

Supporting data was obtained from article sources in the form of policies implemented by the Indonesian government to encourage the optimization of the ban on imported thrift clothing among students. Researchers in this study used a purposive sampling method to select samples because the researchers intended to take samples that met specific criteria. The criteria set by researchers are individual students aged between 18-25 years studying at Universitas Brawijaya. The researchers chose these criteria because, through the pre-research stage carried out on 101 respondents, students in that age range had a high tendency to buy imported thrift clothing. The data collection technique used in this research is divided into three stages: editing, organizing, and finally, finding. Meanwhile, the data analysis consists of condensation, presentation, and verification.

3. Result

3.1. Impact on Social Problems and Impact on People Involved (Target Dimension)

The impact of public policy on social problems is the changes that occur in society due to the implementation of policies. In contrast, the impact on the people involved or the target dimension refers to changes experienced by individuals or groups that directly affect public policy [4]. The impact of social problems identified in the economic sector, especially on Micro, Small and Medium Enterprises (MSMEs), namely the ban on the import of used clothes, can harm the

lower class who rely on selling thrift clothes as their livelihood. However, this policy can also encourage the growth and sustainability of the domestic clothing textile industry.

The impact on people directly involved, such as thrift clothing merchants, is that there is a decrease in purchase interest and a possible decrease in income. In addition, this policy can minimize the adverse effects of thrift clothing on health, especially concerning infectious skin diseases, and also provide opportunities for local industries to fill the second-hand clothing market with their local products. Based on the results of the study, it can be concluded that the policy of the Minister of Trade of the Republic of Indonesia Regulation Number 40 of 2022 [3] concerning the ban on the import of imported used clothing has a complex impact on social problems and the people involved. It can be seen that the opinions and views of the interviewees vary depending on their background and understanding of the policy. Some positively welcomed this policy as a step to overcome the adverse import problem. Despite concerns about the negative impact on the MSME sector and interest in purchasing second-hand clothing, some interviewees also saw potential benefits regarding local industry growth and health protection.

3.2. Policy Impact on Circumstances or Groups Outside the Policy Target (Social and Environmental Dimensions)

Policy impacts can include various social and environmental aspects that are not directly intervened by the policy but are still affected by decisions and actions taken by the government or institutions responsible for the policy [5]. The existence of this policy has a significant effect on the social dimension, this is evidenced by the results of interviews with resource persons showing that unemployment in Malang City is increasing, especially for traders or sellers of imported used clothes. However, there are also those who state that the impact on unemployment is not too significant because there are many other factors that affect the unemployment rate in Malang City.

Furthermore, in the environmental dimension this policy can potentially minimize textile waste if accompanied by appropriate measures. By reducing second-hand clothing imports, the domestic textile industry can increase production and meet local demand, thereby reducing waste generated from second-hand clothing. However, the impact on textile waste also depends on a number of factors, such as the ability of the domestic textile industry to meet domestic demand in an efficient and sustainable manner, as well as the availability of adequate infrastructure and waste management systems. Throughout the interviews, there were differing opinions about the impact of the policy. Some interviewees argued that the impact was significant on unemployment, while others argued that the impact was not so great. The same is true for the impact on textile waste. Therefore, further assessment and coordination between various stakeholders is needed to achieve sustainable solutions in textile waste management and minimize negative impacts on unemployment.

3.3. Instant Impact and Delay Impact or Time Dimension

Effects can be defined as a consequence of a decision being made by someone [6]. Instant effects are consequences or changes that occur directly or immediately after public policies are implemented, while delay impacts refer to changes or policy effects that cannot be felt directly or immediately. In the opinion of Thomas Dye [4] that once there is a policy impact on group circumstances outside the target, there is an instant impact and delay impact as a result of time dimension. This is evidenced from the interview with sources that for instant impact, there is a reduction in university interest in buying used clothing. However, it is difficult to determine if this decline is permanent or only temporary because it can be influenced by such factors as social trends, economic changes, consumer values shifts, and technological development.

The theory proposed by [7] suggests that the delay occurs when an activity or activity changes time unexpectedly. The impact delay highlights a change in students' interest in purchasing imported secondhand clothing that is affected by such factors as law enforcement, environmental awareness, and the availability of imported secondhand clothing. Over a longer period, this policy could change the student purchase patterns of imported second-hand clothing. There is a potential permanent job transition for a thrift garment trader in the unfortunate city if law enforcement is strict. Merchants could face difficulties in maintaining their supplies and running the thrift business continually. Based on research, students feel a drop in interest in buying used clothing as an impact of existing policies, and some continue to purchase second-hand clothing for specific reasons such as environmental awareness or personal preference. Students argue that a permanent job transition can happen for a thrift garment trader in an unfortunate city depending on the law enforcement and the merchants' ability to adapt to change.

3.4. Direct Costs are Incurred or the Economic Dimension

The direct cost effect or economic dimension is the confusion of the immediate financial consequences that arise directly as a result of a policy, decision, or event [4]. The immediate cost impacts include expenses that must be incurred or income earned as a direct result of a policy or decision. Examples include direct expenses, direct expenditures, and changes in asset values. The minister of commerce of the Republic of Indonesia's 40-year 2022 could lead to a drop in the price of the product, especially if traders wanted to sell off an unsold stock. However, product prices can also increase due to rising costs and rising tariff posts, thus affecting students' interest in buying thrift clothes.

Policing optimization needs to be done as a form of supervision and control over the importation of second-hand clothing, such as quality testing, sanitation inspection, and certification. In this case, the foreclosure policy of second-hand clothing should remain the property of merchants. Some sources claim that the ban on imported secondhand clothing may impact a high interest on students in buying used clothing, since the price of secondhand clothing may increase. The policy should watch for aspects of economic efficiency, including disbursement to merchants from requests unequal to supply. On the other hand, governments need to protect domestic industry and reduce the environmental impact produced by used clothing industries.

3.5. The Indirect Costs that Must be Borne by Groups or Individuals Beyond Target or Broader Economic Dimensions

Indirect cost impacts are often not considered when making policy assessments. The costs cannot be calculated because it is difficult to determine which sizes to wear [8]. These effects involve costs or economic consequences not directly associated with the action, but they still significantly impact the overall economic context. Indirect costs affect some of these:

- a. Indirect financial impact. The policy has indirect financial influences. While these effects are not directly related to the action, they still significantly impact the overall economic context.
- b. Reductions in the purchase of used imported goods. The impact on the student body is that there is a need to reduce the purchase of second-hand imported goods and place more emphasis on local products. With import restrictions, the choice of products may become more limited, but it may also encourage students to elevate local products.
- c. The cost is difficult to measure directly. Indirect costs borne by groups or parties outside of wider goals or economic dimensions are often difficult to measure directly. Careful

evaluations and comprehensive analysis are needed to understand the impact in a broader economic context.

- d. Opinions on the expense of incentives: there are differences of opinion among sources regarding the expense of incentives. Some sources believe that incentives are necessary as an ethical-political form, while others argue that incentives should be carefully considered according to the merchant's needs and legal aspects.
- e. The effect on consumers, traders, and the environment. The impact would include reducing consumers' access to and choice of second-hand clothing, affecting revenue from merchants who rely on imported used clothing, and minimizing the amount of textile waste produced because of the lack of import from second-hand clothing.
- f. Influence on local student and product interests. It also affects students' interest in purchasing thrift clothing and can drive growing interest in local products. Interest in local products is increasing because of the availability of more limited second-hand products, and the price of imported second-hand clothing may increase.

4. Conclusion

Based on the results of a study of the impact of the 2022 Trade Minister's Decree on the decision to buy clothes from a thrift student at Universitas Brawijaya, the conclusions are as follows. *First*, there is the impact on social problems and the impact on the communities involved (target dimensions). Social problems are identified in the economy, especially in micro, small, and medium enterprises (MSMEs), where importing second-hand clothing could be detrimental to low-class people who depend on selling second-hand clothing for a living. While the impact on communities directly involved, these policies may minimize the adverse effects of skin-efficient clothing on the health of especially infectious skin diseases. They may also provide local industries with a market for used clothing with local products. *Second*, there are policy-impact circumstances or groups beyond policy objectives (social and environmental dimensions). An important drop policy will significantly impact the social dimension, as it has the potential to minimize textile waste production and increase the consumption of local students. *Third*, there are instant impacts and delay impacts or time dimensions. The immediate impact of the important drop policy is the diminishing interest of colleges in buying second-hand clothing importers, which is influenced by social trends, economic changes, consumer values shift, and technological developments. The impact of delay focuses more on the change in learners' interest in purchasing imported second-hand clothing, which is affected by such factors as law enforcement and the environment. *Fourth*, direct costs are expended or economic dimensions. The immediate cost impact includes expenses to spend or income to obtain as a direct result of a policy or decision. *Fifth*, indirect costs that a group or individual must endure exceed a broader economic target or dimension. Indirect costs often involve student needs to reduce the purchase of second-hand imported goods because, with import restrictions, the choice of products may be more limited.

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