THE PHENOMENON OF IMPORTED THRIFTING FASHION BUSINESS AND ITS IMPACT ON THE TEXTILE AND GARMENT INDUSTRY IN INDONESIA – GROUNDED THEORY APPROACH

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ABSTRACT

Indonesia's textile and garment industry are the top 10 industries that absorb employment in Indonesia. This industrial product has already filled the domestic and foreign markets. However, just like any other business, many things can affect it. As a phenomenon in 2023 where the sale of imported thrifting fashion business is the relevant cause of the decreasing in demand for the industry in Indonesia. Based on this phenomenon, this study was conducted to obtain a theory whether thrifting imported fashion business is the main cause of market disruption, especially garments and convection in Indonesia. This research is a qualitative research using the Grounded Theory (GT) Method. Data collection was carried out by analyzing television interviews with sources from experts or practitioners relevant to the purpose of the study. The results showed that imported thrifting fashion business was not the main cause of disruption to the textile and garment industry in Indonesia. Several factors that are the main cause. First and main factors are selling price of local products, that have an impact on competitiveness in the market. The next factor that is quite influential is regulation and implementation related to the industry and its supervision that is not yet appropriate, in addition, another factor is the demand for goods from overseas (export).

Keywords: Imported Thrifting Fashion, Impact, Textile Industry.

ABSTRAK

Industri tekstil dan garmen Indonesia masuk dalam 10 besar industri yang menyerap lapangan kerja di Indonesia. Produk industri ini sudah memenuhi pasar dalam dan luar negeri. Namun, sama seperti bisnis lainnya, banyak hal yang dapat mempengaruhinya. Seperti fenomena di tahun 2023 dimana penjualan bisnis thrifting fashion impor menjadi penyebab relevan menurunnya permintaan industri di Indonesia. Berdasarkan fenomena tersebut, penelitian ini dilakukan untuk memperoleh teori apakah bisnis fesyen impor thrifting menjadi penyebab utama terganggunya pasar khususnya garmen dan konveksi di Indonesia. Penelitian ini merupakan penelitian kualitatif dengan menggunakan Metode Grounded Theory (GT). Pengumpulan data dilakukan dengan menganalisis wawancara televisi dengan narasumber dari para ahli atau praktisi yang relevan dengan tujuan penelitian. Hasil penelitian menunjukkan bahwa bisnis thrifting fashion impor bukanlah penyebab utama terganggunya industri tekstil dan garmen di Indonesia. Beberapa faktor yang menjadi penyebab utamanya. Faktor pertama dan utama adalah harga jual produk lokal yang berdampak pada daya saing di pasar. Faktor selanjutnya yang cukup berpengaruh adalah regulasi dan pelaksanaan terkait industri serta pengawasannya yang belum tepat, selain itu faktor lainnya adalah permintaan barang dari luar negeri (ekspor).

Kata Kunci: Thrifting Fashion Impor, Dampak, Industri Tekstil.

INTRODUCTION

Basically, every human being has an unlimited and diverse need for life. Human needs when viewed in terms of importance, namely there are primary, secondary, and tertiary needs. Primary needs are the main needs or basic needs to maintain human survival. These basic needs include clothing, food (eating and drinking), and shelter. Clothing is one of the important needs for humans because if there is no clothing, humans will not be able to cover and protect their bodies. Clothing also has other functions such as supporting human lifestyles in order to look confident in front of other humans and causing humans to dress according to their respective lifestyles. But not a few humans also choose to dress according to comfort rather than appearance.
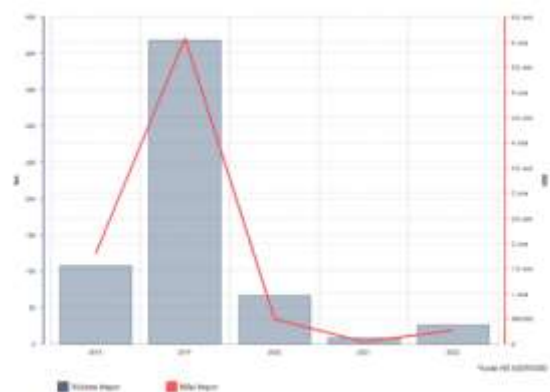
Imported thrifting fashion is an item that is considered illegal in Indonesia. The meaning is illegal here, which is something that is not in accordance with applicable legal or legislative regulations. This imported

used clothing can be categorized as a dangerous item because it circulates freely and without any prior checking. Not all imported used clothes that come to Indonesia have good quality (Adibah, 2017; Afifudin, 2015; Arifah, 2015; Wati, 2016). These imported thrifting fashion before trading will be sorted out first and washed. What is meant by good quality here is second-hand clothes that are not torn, not deformed, no stains, the color still looks light, and of course it is still suitable for wear.

Related to the issue of used imported clothing, the government as the State organizer made arrangements, namely the issuance of Law Number 7 of 2014 concerning Trade, which is expressly mentioned in Article 47 by stating that "importers are obliged to import goods in new circumstances". In addition, the government reaffirmed it with the issuance of Kepmenperindag RI Number 230 / MPP / Kep / 7/1977 concerning Goods Regulated by its Import Trade Administration, and Kepmenperindag RI Number 642 / MPP / Kep / 9/2002 concerning Amendments to Annex I of Kepmenperindag RI Number 230 / MPP / Kep / 7/1977 concerning Goods Regulated by its Import Trade Administration, in which it states that "it

is prohibited to import new and used thrift goods".

In terms of industry, this imported thrifting fashion is very disruptive to the domestic market, especially textile and garment. This in the future will result in a decrease in the productivity of the domestic garment market and convection which has an impact on the social sector, namely unemployment (Awaluddin, 2018; Nasution, 2018; Suwandoko, 2018). And in the economic sector, it will result in a decrease in foreign exchange from exports including taxes and levies, and also affect textile sales and garment.

(Data Source: Databoks.Katadata)
Picture 1.1 Trend of Imported Thrifting Fashion Based on Volume and Value in Indonesia

Although there has been a regulation stating that imported used clothes are prohibited or declared illegal, until now there are still many

circulating imported used clothing traders in Indonesia. With so many stalls selling imported used clothes, resulting in many visitors who come to buy these imported used clothes.

From the description in the background above, this study was conducted with the aim of finding a new theory whether the sale of imported used clothing for consumers is the main cause of market disruption, especially garment and convection in Indonesia.

LITERATURE REVIEW

1. Definition of Phenomena

Phenomena come from the Greek word (*Phainomenon*) which means "what is seen" while in Indonesian can be interpreted as natural symptoms or events that can be felt and can be seen with the five senses. According to Campbell (Wirawan, 2012: 133) phenomenology that departs from the school of subjectivism does not only look at one visible phenomenon, but also tries to explore the meaning behind the phenomenon symptoms. It can be known that phenomena are present in human life in every human consciousness itself, phenomena are something that can be seen, observed, interpreted as part of human life and in each human being has a different perspective in interpreting a phenomenon that occurs in human social life.

2. Definition of Thrifting Fashion

The word Thrifting is a word derived from English, the word "Thrift" is taken from the word thrive which means to develop and progress. While the word thrifty can be interpreted as a way to use money and goods properly and efficiently (Gafara, 2019). Used objects and clothes have many different nicknames in each region such as in Lampung used clothes are known as *Baju Batam*, while in Palembang they are known as BJ (Buru'an Jambi) while in North Kalimantan these used clothes are known as Cakar (Cap Karung), then in North Sumatra used clothes are known as Monza which is an acronym for Monginsidi Plaza which is a place to sell used clothes in Medan. In the Surabaya area, there are a number of names, the most famous of which is *Cakaran* or *obok-obok* (Virginia, 2022: 2). Thrifting is an activity or method in shopping that aims to save and so that the costs incurred to shop out are as minimal as possible.
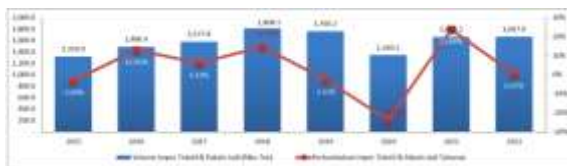
3. Trend of Export and Import Demand of Textile

In other hand, the trend of demand export and activity of import as free trading policy showing volatile as depict on picture 1.2 and 1.3
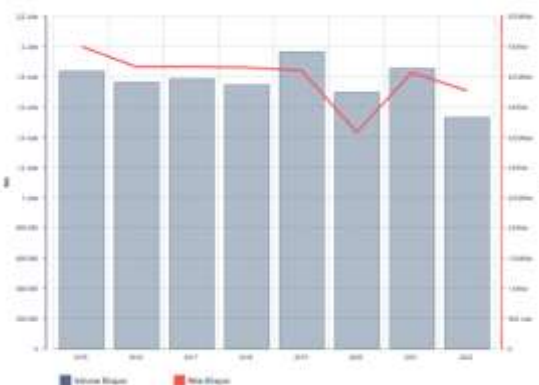
(Data Source: Database Katadata)

Picture 1.2 Trend of exported textile Industry based on volume and value from Indonesia

(Data Source: Data Industry Research)

Picture 1.3 Trend of imported textile Industry based on volume in Indonesia

RESEARCH METHODS
Types of Research

This research uses the Grounded Theory Analysis method. Understanding Grounded theory (hereinafter abbreviated as GT) is a qualitative method to produce theory development both with inductive and deductive approaches. The goal of GT is to generate hypotheses based on conceptual ideas. This qualitative research method can be explained in both qualitative and quantitative research. The most effective use of GT is in investigating things that are still unclear or to obtain new perceptions of familiar situations (Glaser, 1995). Grounded theory is a theory that derives from reality and explains existing events (Field & Morse, 1985).

The purpose of the GT method is to assess the effects of social behavior. The difference with ethnographic research is that ethnography expresses a question of why a person thinks what he does and why it is done. While the phenomenological approach seeks to assess how a person tells his experience (Thorne, 1991).

Grounded theory allows researchers to find a conceptual framework that explains the scenario of research (Stein, 1985). Every GT approach has three basic elements (Legewie &; Schervier-Legewie, 2004) that must be fulfilled, including theoretical sensitive coding, which is developing theoretical concepts from data that explain the phenomenon under study. The second element is theoretical sampling, which establishes who is interviewed and what is observed next to form a theory. This is done by starting the analysis at the first time of conducting the interview. Furthermore, the GT approach has a need to Comparing between the

phenomenon and the context under study so as to strengthen the theory formed.

The GT approach should use the following principles:

1. The purpose of approaching data without a definite framework, but by looking at things that are not yet certain. Theoretically, GT is not in line with the development of knowledge idealistically (i.e. determining a clear conceptual framework and then proving hypotheses or theories that exist in practice through research), but GT produces theories or concepts on the phenomenon under study after collecting the necessary data. It rejects the notion that science is invented and cannot be refuted by certain rules.

2. The purpose of theory development is developed as close as possible to real circumstances, basic applications, and real experience. Theories are formed from the data generated. Theories are generalized to certain characteristics with emphasis on processes

So Grounded Theory is a qualitative method aimed at generating or developing a theory or concept derived from reality and explaining existing events by assessing the effects of social behavior of the phenomenon under study.

Data Types and Sources

Soerjono Soekanto and Sri Mamudji stated that there are three kinds of data in legal research, namely primary data, secondary data and tertiary data. (a) Primary data is data obtained directly from the primary source. In the context of this study, primary data is obtained from primary data information obtained from statements from members of the House of Representatives, textile industry players, textile product entrepreneurs, chairmen and representatives of the Indonesian Textile Association and senior journalists (b) Secondary Data are data obtained from the second source which is complementary in the form of literature data and literature materials relevant to the theme raised. (c) Tertiary data are supporting data, namely materials that provide guidance and explanation to primary data and secondary data, including economic dictionaries and encyclopedias.

Data Collection Techniques

There are two data collection techniques used in this study, namely; (1) field notes derived from television interviews accessed from the station's

official YouTube channel with sources from experts or practitioners relevant to the purpose of the study; and (2) Documentation methods.

Data Analysis

Data from field notes derived from television interviews accessed from the station's official YouTube channel with sources from experts or practitioners relevant to the research objectives. Interview recordings are written or 'transcribed' and encoded for sentences, words, and comments that are keywords. Then created the theme and code again. Next, the code is selected into categories and focused on categories to be formulated into theories on the area studied. There are four stages of how to analyze data in GT after trans criminating and collecting data, among others (Glaser, 1992):

1. Coding stage / 'Open Coding', the goal is to identify keywords from all data collected

2. Concept formation stage / 'Axial Coding' with the aim of collecting codes of the same content that allows data to be grouped into interconnected categories and formed concepts

3. Categorization stage / 'Selective Coding' with the aim of grouping the concepts formed and then selected that have to do with the formation of theories for research problems.

4. The stage of theory formation is aimed at explaining the subject under study by strengthening it with existing theories and literature studies. This stage is often called 'theoretical note'.

The sequence of data analysis starts from collecting data with the possibility of interpreting and analyzing at the time of collecting data, continued at the data analysis stage. Then, proceeding with the formation of the concept, begins the first stage of coding the substance. Once interconnected keywords are found, categories are generated. Related categories will generate concepts. The next stage is to choose the main concept according to the problem under study to solve the problem, through sample reduction, studying the literature that supports the main concept, and choosing it so as to form a concept that is selected as the core variable to support the theory to be produced.

RESULTS AND DISCUSSION

From the interview transcript, the coding and categorization stages were carried out according to table 1.

Table 1. Results of coding and categorization

The results of the coding and categorization stages obtained 9 types of categories that affect selling of textile industry. The categories are selling of imported thrifting fashion, production cost, workers' wages, domestic markets, competition with imported products, export demand, overseas distribution processes, Textile Market Regulation, and Imported Textile Regulatory Supervision

From the results of the coding and categorization stage, we assess that there is still a possibility for these types of

categories to be made into the same group (theme). Therefore, at this stage we continue to group categories into themes accordingly table 2.

Table 2. Theme grouping

From the results of grouping categories into themes, 4 themes were obtained from factors that affect the textile industry, namely: Imported thrifting fashion impact, selling price of local products, export demand, and regulation & implementation of textile industry.

Based on the stages above, the results of the theory of 3 factors that affect the textile industry in Indonesia are obtained. These factors are sorted from the most influential factors to those that are not too influential. The first and most impactful factor is selling price of local products

The selling price can consist of raw materials, machinery, electricity, and workers' wages. The second factor is Regulation and Implementation related to the textile industry and demand / needs from abroad (export). For

regulations and implementation related to the textile industry, this includes how to supervise the import of new / used textiles (upstream factors). The third factor is the sale of imported second-hand clothing. This factor is a factor that is not too impactful compared to the two factors mentioned earlier.

CONCLUSION

From the results of this study, it can be concluded that the phenomenon of selling imported thrifting fashion can affect the textile and garment industry in Indonesia. However, the sale of imported second-hand clothes is not a major factor. The main factor in influencing the textile and garment industry in Indonesia is selling price of local products. The next factor that is quite influential is the regulation and implementation related to the industry and the demand / need to produce these goods from foreign markets (exports).

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