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# **THRIFT TO THRIVE: GEN Z, SOCIAL MEDIA INFLUENCERS, AND LEGAL FRAMEWORKS SHAPING INDIA'S SUSTAINABLE FASHION THROUGH CLOTHING REUSE AND RENTAL ECONOMY**

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## **ABSTRACT**

Generation Z in India is increasingly using clothes rentals and second-hand purchases as a method to interact with fashion while reducing environmental damage. Digital platforms and social media influencers are crucial to this change, but the laws governing these activities are still disjointed and lacking. This article assesses whether current consumer protection, e-commerce, and advertising laws in India sufficiently regulate thrift and rental fashion promoted through social media and makes the case that they do not, especially when it comes to standards for product quality, the verification of sustainability claims, and the obligations of platforms that facilitate peer-to-peer transactions.

The essay analyzes EU, French, UK, and US developments in addition to the Consumer Protection Act 2019, the Consumer Protection (E-Commerce) Rules 2020, the ASCI Influencer Guidelines, and related regulatory instruments using a doctrinal legal approach and selected comparative analysis. After identifying gaps in platform liability, influencer accountability, second-hand clothing certification, and enforcement against greenwashing, it suggests reforms such as more stringent disclosure requirements, BIS standards for pre-owned clothing, more precise social-commerce obligations, specialized enforcement of greenwashing, and integration of textile extended producer responsibility. The goal is to transform Gen Z's sustainability-driven consumption into a legally sound circular fashion sector that safeguards consumers and improves market transparency.

The paper proposes comprehensive legal reforms: strengthening influencer accountability through legally binding disclosure requirements; establishing Bureau of Indian Standards certification for second-hand clothing; clarifying platform liability frameworks for social commerce; creating specialized greenwashing enforcement within Central Consumer Protection Authority; and integrating Extended Producer Responsibility principles for textiles.

These recommendations aim to channel Gen Z's environmental consciousness toward genuine sustainable transformation while ensuring robust consumer protection, market transparency, and circular economy development in India's fashion sector.

**Keywords:** Sustainable fashion, Consumer protection, Influencer marketing, Circular economy, Greenwashing, E-commerce regulation, Gen Z consumption, India.

## 1. INTRODUCTION

Rapid consumerism and environmental constraints are sharply at odds in the modern fashion industry. Fashion is one of the most environmentally intensive industries in the world, with estimates indicating that the manufacture and consumption of garments generate about a tenth of global carbon emissions and a substantial portion of industrial wastewater. While greenhouse gas emissions from textile production continue to climb, the energy required to maintain global garment supply chains now rivals, and in some estimates surpasses, the combined energy use of worldwide aviation and shipping.<sup>1</sup>

The growth of "fast fashion" has increased this environmental impact. Fast fashion business strategies focus on low-cost manufacturing and lengthy, carbon-intensive supply chains, speed up style cycles, and promote frequent purchases. The linear "take-make-dispose" pattern, in which very little textile material is recovered or recycled, is being reinforced by consumers purchasing more clothing than in prior decades but discarding it faster. As a result, there is an increasing amount of discarded clothing, most of which is burned or dumped in landfills, and very little of it is recycled or made into new goods.

Recent research confirms this environmental footprint continues expanding at an alarming rate, with the global fashion market projected to reach \$2.25 trillion by 2025, further intensifying resource consumption and waste generation<sup>2</sup>. Water consumption deserves particular attention: producing a single cotton t-shirt requires approximately 2,700 liters of water enough for one person to drink for 2.5 years while manufacturing a pair of jeans consumes 7,500 liters. In water-stressed regions where much textile production occurs, this consumption exacerbates

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<sup>1</sup> ELLEN MACARTHUR FOUND., A NEW TEXTILES ECONOMY: REDESIGNING FASHION'S FUTURE 22 (2017).

<sup>2</sup> The Perception of Circular Economy in the Framework of Fashion Industry, NAT'L INSTS. OF HEALTH (2023), <https://pmc.ncbi.nlm.nih.gov/articles/PMC9983045/> (last visited Oct. 30, 2025).

humanitarian crises.

Chemical pollution represents another critical dimension. Textile dyeing is the second-largest polluter of clean water globally, with approximately 20% of industrial water pollution stemming from textile treatment and dyeing. Synthetic dyes, heavy metals, and finishing chemicals enter water systems untreated in many manufacturing regions, causing severe health impacts for communities dependent on contaminated water sources. Microplastic pollution from synthetic textiles - constituting 35% of ocean microplastics introduces additional environmental and health concerns as these particles enter marine food chains and ultimately human consumption.

India occupies a unique position within this global crisis. As the world's sixth-largest textile exporter with a domestic market valued over \$100 billion, India contributes significantly to fashion's environmental burden while simultaneously generating millions of tons of post-consumer textile waste annually<sup>3</sup>. Most of this waste ends up in landfills or undergoes incineration, releasing harmful pollutants into air, soil, and water systems.

The environmental justice dimensions of India's textile industry deserve particular attention. Most waste ends up in landfills where synthetic textiles can take up to 200 years to decompose, or undergoes incineration in informal waste management facilities lacking pollution controls. This releases harmful pollutants including dioxins, furans, and heavy metals into air, soil, and water systems. Marginalized communities living near textile manufacturing hubs in Gujarat, Tamil Nadu, and Uttar Pradesh bear disproportionate health burdens from pollution while deriving minimal economic benefits<sup>4</sup>.

India's textile manufacturing sector, while contributing 7% to GDP and providing crucial employment, operates under significant environmental stress. As the world's largest cotton producer, India dedicates approximately 5% of cultivable land to cotton cultivation, consuming vast quantities of water in increasingly water-stressed regions. Cotton farming requires intensive pesticide application India accounts for 54% of global cotton pesticide use despite producing only 23% of global cotton degrading soil health and contaminating water resources<sup>5</sup>.

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<sup>3</sup>INT'L LABOUR ORG., TAKING CLIMATE ACTION: MEASURING CARBON EMISSIONS IN THE GARMENT SECTOR IN ASIA, Working Paper No. 53 (2023).

<sup>4</sup>C.S.E., RESPONSIBLE PRODUCTION: HOW INDIA'S TEXTILE INDUSTRY CAN REDUCE POLLUTION 12-18 (Ctr. for Sci. & Env't 2023).

<sup>5</sup>ENV'T JUSTICE FOUND., PESTICIDES AND PEOPLE: AN ANALYSIS OF PESTICIDE USE IN COTTON

Dyeing and finishing processes discharge an estimated 2.5 billion liters of untreated chemical effluents into rivers annually, making cities like Tirupur synonymous with severe water pollution crises.

The informal nature of much textile waste management exacerbates challenges. Unlike organized municipal solid waste systems, textile waste often enters informal collection networks lacking environmental safeguards. Ragpickers predominantly women and children from marginalized communities manually sort textile waste in hazardous conditions without protective equipment or health monitoring. While these informal systems provide livelihoods for thousands, they operate without regulatory oversight, worker protections, or environmental standards.

However, a powerful counter-movement is emerging, led by India's Generation Z- individuals born between 1997 and 2012 who represent approximately 27% of the nation's population. This demographic cohort demonstrates distinctive consumption values prioritizing environmental consciousness, ethical sourcing, brand transparency, and social impact over traditional factors like price and prestige<sup>6</sup>.

According to Deloitte's India Gen Z Consumer Study 2023, nearly 40% of urban Indian Gen Z shoppers frequently purchase second-hand or rented fashion items, representing a dramatic increase from just 24% in 2019<sup>7</sup>. This transformation reflects not merely economic considerations but fundamental values realignment toward sustainable consumption and circular economy principles.

Yet this remarkable growth in India's circular fashion economy occurs within a regulatory vacuum. The legal frameworks governing consumer protection, e-commerce, advertising standards, and environmental sustainability remain fragmented, outdated, and inadequate for addressing the unique challenges posed by thrift and rental markets. Critical gaps exist in quality standards for second-hand clothing, influencer accountability for sustainability claims, consumer protection in peer-to-peer transactions, prevention of greenwashing, and platform liability in digital commerce.

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CULTIVATION IN INDIA 8 (2022).

<sup>6</sup> NITI AAYOG, CIRCULAR ECONOMY IN THE APPAREL AND TEXTILE SECTOR (Gov't of India 2022).

<sup>7</sup> DELOITTE INDIA, GEN Z CONSUMER STUDY 2023: FUTURE OF CONSUMER BEHAVIOUR IN INDIA (2023).

The article contends that there are still large doctrinal and regulatory gaps and asks if India's current consumer legislation and digital commerce framework sufficiently regulates thrift and rental fashion pushed through social media. In order to propose reforms more in line with Gen Z's sustainability-oriented consumption, it first looks at the historical and social background of thrift culture, then analyzes the legal position under Indian statutes and regulations, identifies specific shortcomings, and draws on comparative experience from other jurisdictions.

## **2. RESEARCH METHODOLOGY**

The research approach used in this study is doctrinal legal. Doctrinal research is mostly text-based and concentrates on finding, analyzing, and organizing legal sources, including statutes, delegated legislation, court rulings, policy papers, and scholarly opinion, in order to make sense of the current law and evaluate its appropriateness and coherence. The Consumer Protection Act of 2019, the Consumer Protection (E-Commerce) Rules of 2020, the Information Technology Act of 2000, the Legal Metrology Act of 2009, the Bureau of Indian Standards Act of 2016, pertinent tax and intellectual property provisions, and soft-law tools like the ASCI Guidelines for Influencer Advertising in Digital Media are all subject to doctrinal analysis in this article. To comprehend how circular economy and sustainable fashion goals are formulated at the policy level, regulatory initiatives, studies, and policy papers published by organizations like NITI Aayog, the Ministry of Consumer Affairs, the Ministry of Textiles, and the Ministry of Environment are also analyzed. There is a small comparison component. To find regulatory strategies that may be practically applied to the Indian context, a few legal advancements from the European Union, France, the United Kingdom, and the United States are taken into consideration, especially with regard to online platform regulation, endorsement laws, and green marketing. Primary empirical techniques including surveys, interviews, and fieldwork are not used in the study. As a result, their findings are limited to what may be inferred from comparative and doctrinal study of legal materials accessible until October 2025.

## **3. HISTORICAL EVOLUTION OF THRIFT CULTURE**

### **3.1 Global Origins**

In the late 19th and early 20th centuries, organized thrift stores began to appear in relation to social welfare and humanitarian endeavors. In order to finance social programs, the Salvation Army in London started running stores that sold donated items, successfully fusing community

support, fundraising, and reuse<sup>8</sup>. A similar concept was developed in the US by Goodwill Industries, which resold donated apparel and household goods while creating jobs and training opportunities through the sorting and retail work involved. Instead of being limited to unofficial or solely necessity-based markets, these early organizations showed that reselling could be formalized into organized, mission-driven business<sup>9</sup>.

### 3.2 India's Informal Heritage

Instead of being found at businesses established by charities, second-hand goods have long been a part of India's unofficial urban markets. Bazaars like Janpath Market in Delhi and Chor Bazaar in Mumbai have a reputation for selling inexpensive apparel and other items, which are frequently supplied through convoluted and opaque supply chains. Although many customers found these marketplaces to be reasonably priced substitutes for traditional retail, they were also linked to worries about social stigma, authenticity, and quality. The regulatory state gave little consideration to consumer rights or environmental effects in this situation, and transactions usually took place without official grievance procedures, written conditions, or warranties<sup>10</sup>.

### 3.3 Modern Revolution

Bombay Closet Cleanse, founded in 2012, pioneered professional authenticated thrift retail in India<sup>11</sup>. This introduced quality assurance and repositioned thrift from necessity to conscious choice. Following this success, platforms like Kiabza, Confidential Couture, and The Lxry emerged.

Industry reports estimate the organized thrift and rental fashion sector grew over 25% annually post-2020, with projected market value crossing INR 5,000 crores (~\$650M) in 2025<sup>12</sup>.

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<sup>8</sup> SALVATION ARMY INT'L HERITAGE CTR., THE FIRST THRIFT STORES, 1890 -- A SOCIAL ENTERPRISE MODEL (2022), <https://www.salvationarmy.org> (last visited Oct. 30, 2025).

<sup>9</sup> GOODWILL INDUS. INT'L, OUR HISTORY, <https://www.goodwill.org/about-us/our-history/> (last visited Oct. 30, 2025).

<sup>10</sup> *Chor Bazaar: A Historical Perspective*, MUMBAI MIRROR (2019); *Affordable Markets Thrive: Delhi's Janpath and Mumbai's Chor Bazaar Continue to Drive Reuse Economy*, MINT (2023), <https://www.livemint.com> (last visited Oct. 30, 2025).

<sup>11</sup> GOODWILL INDUS. INT'L, OUR HISTORY, <https://www.goodwill.org/about-us/our-history/> (last visited Oct. 30, 2025).

<sup>12</sup> *How Janpath Market in Delhi Blends Cheap Fashion and Circular Reuse*, THE HINDU BUS. LINE (2023), <https://www.thehindubusinessline.com> (last visited Oct. 30, 2025).

### 3.4 Rental Economy Growth

Flyrobe, founded in 2015, pioneered clothing rental in India<sup>13</sup>. By 2024, rental platforms claimed over 2 million registered users, addressing Gen Z's preference for access over ownership while reducing per-wear environmental impact by 80-90%<sup>14</sup>.

## 4. SOCIAL MEDIA INFLUENCERS AND SUSTAINABLE FASHION

### 4.1 Influencer Marketing Dominance

According to research, influencer referrals are more trusted by 78% of Gen Z Indian consumers than brand advertisements<sup>15</sup>. Social media creators are a major source of product knowledge and fashion inspiration for a large number of young Indian consumers. Influencer material frequently combines lifestyle narratives, personal style, and business ties, making it challenging for viewers to distinguish between advertising and natural expression. Research on digital marketing in India indicates that Gen Z consumers' impressions of brands and purchasing decisions can be greatly influenced by recommendations from relatable producers, particularly nano- and micro-influencers.

### 4.2 Influencer-Led Consumer Behaviour

High-visibility fashion creators have helped normalise thrift shopping, outfit repetition, and rental fashion among young consumers in India. Their content often presents second-hand or rented clothing as stylish, affordable, and socially acceptable, thereby reshaping attitudes toward clothing reuse. The legal significance of this influence lies not merely in its commercial reach, but in the extent to which consumers may rely on sustainability claims made in promotional content. Where such claims are vague, exaggerated, or unsupported by verifiable facts, influencer marketing can contribute to consumer deception rather than informed sustainable consumption. For that reason, disclosure standards and claim substantiation are central to any regulatory model for sustainable fashion promotion in India.

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<sup>13</sup> *Bombay Closet Cleanse: How One Startup Brought Thrifting Into India's Mainstream*, ECON. TIMES (2023), <https://economictimes.indiatimes.com> (last visited Oct. 30, 2025).

<sup>14</sup> *India's Rental Fashion Platforms See 30 Per Cent Annual Growth*, BUS. STANDARD (2024), <https://www.business-standard.com> (last visited Oct. 30, 2025).

<sup>15</sup> FLYROBE PVT. LTD., MEDIA PRESS KIT (Mumbai 2024), <https://www.flyrobe.com> (last visited Oct. 30, 2025).

### 4.3 Greenwashing Risks

Influencer-driven sustainable fashion marketing is especially vulnerable to greenwashing. Promotional content often uses terms like "eco-friendly," "green," "conscious," or "sustainable" without providing a clear explanation of what they actually represent or how the claim has been confirmed. Customers may get an inaccurate or deceptive impression of environmental performance when influencers or brands emphasize a single positive feature like the use of organic fibers or recycled packaging while leaving out details about intensive dyeing, dangerous chemicals, or limited product durability. When posts don't make it obvious that they are sponsored or when customers can't tell the difference between a paid endorsement and a personal recommendation, the risk is increased. Although ASCI's advertising rules and Indian consumer protection law offer a fundamental framework for dealing with deceptive advertising and concealed sponsorships, they have not yet adequately addressed the unique difficulties presented by sustainability claims in used and rental clothing.

## 5. LEGAL FRAMEWORK ANALYSIS

### 5.1 Consumer Protection Act, 2019

The Consumer Protection Act 2019 provides foundation for consumer rights in thrift markets<sup>16</sup>.

Key Provisions:

Section 2(7) - Consumer Definition: Includes any person who buys goods for consideration, covering second-hand purchases and rental services.

Section 2(47) - Misleading Advertisement: Defines misleading advertisement as any that "falsely describes or is likely to mislead consumers as regards the nature, substance, quantity, quality, or grade" of goods or services. This directly applies to greenwashing in sustainable fashion marketing.

Section 6 - Consumer Rights: Establishes fundamental rights including:

- Right to be informed about quality, quantity, potency, purity, standard, and price

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<sup>16</sup> KANTAR RESEARCH, NANO- AND MICRO-INFLUENCER PERFORMANCE METRICS IN INDIA (2024), <https://www.kantar.com> (last visited Oct. 30, 2025).

- Right to be protected against hazardous goods and services
- Right to seek redressal against unfair trade practices
- Right to consumer awareness

Sections 13-17 - E-commerce Provisions: Require online marketplaces to:

- Provide accurate product information
- Display clear terms and conditions
- Maintain seller verification
- Establish grievance redressal mechanisms

Section 18 - Platform Liability: Establishes marketplace liability for ensuring vendor compliance, though clarity regarding peer-to-peer transactions remains limited.

Section 2(54) - Unfair Trade Practices: Includes false or misleading representations about goods' quality, standard, utility, or grade.

Application to Thrift Markets:

While the Act covers second-hand purchases, specific provisions addressing unique characteristics of thrift transactions remain absent. No provisions exist for condition grading, authentication requirements, or hygiene standards specific to pre-owned clothing.

### **5.1.1 Judicial Interpretation and Application**

Although the Consumer Protection Act 2019 and the Consumer Protection (E-Commerce) Rules 2020 provide a general framework for online consumer transactions, their application to digital thrift commerce remains incomplete. These instruments are capable of addressing misleading descriptions, unfair trade practices, deficient services, and failures in grievance redressal. However, they do not clearly resolve issues specific to second-hand fashion, such as condition grading, authenticity verification, hygiene assurances, and liability in peer-to-peer sales conducted through social media platforms. The uncertainty is even greater where a platform performs mixed functions, such as hosting listings, curating products, processing

payments, and promoting sellers through digital content. As a result, the present legal regime offers only partial protection to consumers in thrift and rental markets and requires targeted clarification through regulatory reform.

## **5.2 Consumer Protection (E-Commerce) Rules, 2020**

These rules establish platform duties:

Rule 4 - E-commerce Entity Duties: Platforms must ensure:

- Clear product descriptions and pricing
- Return and refund policies
- Customer service mechanisms
- Data privacy protection

Rule 6 - Marketplace Requirements: Facilitators of third-party sales must:

- Verify seller information
- Maintain transaction records
- Ensure product quality compliance

Rule 7 - Grievance Redressal: Platforms must:

- Appoint grievance officers
- Respond within 48 hours
- Maintain complaint records

Gap: Rules inadequately address peer-to-peer transactions via social media platforms like Instagram, Facebook, or WhatsApp where substantial thrift commerce occurs outside formal marketplace structures.

### **5.3 ASCI Influencer Guidelines, 2021**

ASCI guidelines mandate disclosure of commercial relationships using #ad, #sponsored hashtags<sup>17</sup>.

#### Key Requirements

**Disclosure Obligations:** Influencers must clearly identify commercial relationships using labels like "#ad," "#sponsored," or "#collaboration" in prominent, easily visible locations.

**Material Connection:** Any benefit monetary payments, free products, discounts must be disclosed.

**Content Responsibility:** Influencers are responsible for substantiating sustainability claims made in their content.

**Enforcement Challenge:** ASCI operates as self-regulatory body with minimal penalty authority. Monitoring thousands of daily posts proves practically impossible, resulting in 67% non-compliance rates.

### **5.4 Legal Metrology Act, 2009**

The Legal Metrology Act requires accurate labeling but lacks second-hand clothing standards. While the Act mandates information about contents, weight, and dimensions for packaged commodities, no specific standards exist for condition grading or authentication of pre-owned apparel<sup>18</sup>.

### **5.5 Bureau of Indian Standards Act, 2016**

BIS could develop quality standards but none currently exist for thrift goods. The Act provides framework for establishing Indian Standards (IS) for product quality, safety, and performance, but second-hand clothing remains unaddressed, creating regulatory vacuum in quality

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<sup>17</sup>ADVERTISING STANDARDS COUNCIL OF INDIA, GUIDELINES FOR INFLUENCER ADVERTISING IN DIGITAL MEDIA, <https://www.ascionline.in/social/wp-content/uploads/2025/04/ASCI-Influencer-Guidelines.pdf> (last visited Mar. 18, 2026).

<sup>18</sup> The Legal Metrology Act, 2009, India Code, <https://www.indiacode.nic.in/handle/123456789/2102> (last visited Mar. 18, 2026).

assurance.

## 5.6 Goods and Services Tax

GST applies to used goods sales and rental services, affecting pricing and formalization. Tax applies to margin (difference between purchase and sale price) for second-hand goods rather than full transaction value. Rental services are subject to GST as per applicable service tax rates. Many informal thrift sellers operate without GST registration, creating compliance gaps.

## 5.7 Intellectual Property Rights

Resale of genuine branded goods is generally protected under the exhaustion principle, subject to limits where the condition of goods has been changed or impaired<sup>19</sup>. The first sale doctrine permits branded resale genuine branded goods can be resold after first legitimate sale without infringement. However, IPR protects against counterfeits, creating authentication challenges in thrift markets where verifying product authenticity proves difficult.

## 5.8 Information Technology Act, 2000

The IT Act validates digital contracts but peer-to-peer marketplace application remains unclear. While the Act enables electronic contracts and provides data protection provisions, its application to social media-based thrift transactions lacks clarity, particularly regarding platform liability and consumer protection in informal digital commerce<sup>20</sup>.

# 6. LEGAL GAPS AND CHALLENGES

## 6.1 Absence of Quality Standards

There are currently no specific safety or quality requirements for used clothing in India. The current laws pertaining to weights, measurements, and labeling do not stipulate how pre-owned apparel should be evaluated or what details regarding previous use, cleaning, or repairs must be given. Due to the lack of set standards for inspection, refurbishment, and sanitation, this causes confusion for both enterprises and consumers, who must mostly rely on platform

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<sup>19</sup> Trade Marks Act, 1999, § 30, India Code, [https://www.indiacode.nic.in/bitstream/123456789/15427/1/the\\_trade\\_marks\\_act,\\_1999.pdf](https://www.indiacode.nic.in/bitstream/123456789/15427/1/the_trade_marks_act,_1999.pdf) (last visited Mar. 18, 2026).

<sup>20</sup> Information Technology Act, 2000, India Code, <https://www.indiacode.nic.in/handle/123456789/1999> (last visited Mar. 18, 2026).

guarantees or seller descriptions.

## 6.2 Weak Influencer Enforcement

Influencer advertising disclosure and substantiation obligations are outlined in ASCI's rules, although compliance and enforcement are still uneven. The enormous amount of daily content across platforms makes systematic monitoring challenging, and ASCI functions as a self-regulatory agency with minimal punitive authority. The distinction between personal content and commercial communication is frequently hazy, and many smaller or up-and-coming influencers might not completely comprehend the rules. Because of this, even with official regulations in place, unreported sponsorships and vague sustainability claims continue to exist.

## 6.3 Peer-to-Peer Transaction Gaps

The main framework for consumer protection in India is based on business-to-consumer transactions, especially with regard to organized e-commerce platforms. Peer-to-peer clothing sales through social media or messaging applications, on the other hand, usually fall into a gray area because individual sellers are not readily subject to standard consumer-law remedies and platforms disclaim responsibility as simple facilitators. In reality, purchasers frequently have few options when goods are misrepresented, fake, or never delivered, and there isn't a specific system in place to handle disagreements resulting from unofficial online thrift shopping<sup>21</sup>:

## 6.4 Greenwashing Enforcement Inadequacy

Despite misleading advertisement provisions, enforcement remains insufficient<sup>22</sup>:

**Definition Challenges:** Frameworks lack specific greenwashing definitions or sustainability claim evaluation criteria, making enforcement difficult.

**Evidence Requirements:** Proving false sustainability claims requires technical expertise often unavailable to consumer protection authorities or individual consumers.

**Cross-Platform Issues:** Greenwashing occurs across multiple channels requiring coordinated

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<sup>21</sup> MINISTRY OF CORP. AFFAIRS, MSME FORMALISATION AND BUSINESS REGISTRATION STATISTICS (Gov't of India 2024), <https://www.mca.gov.in> (last visited Oct. 30, 2025).

<sup>22</sup> EUR. COMM'N, EU STRATEGY FOR SUSTAINABLE AND CIRCULAR TEXTILES (2022), <https://ec.europa.eu> (last visited Oct. 30, 2025).

enforcement efforts currently lacking.

Penalty Proportionality: Current penalties may inadequately deter large brands or popular influencers whose economic benefits from greenwashing exceed potential fines.

### **6.5 Informality and limited formalisation of the thrift sector**

Thrift sector operates largely informally without specific registration requirements<sup>23</sup>. In India, a significant portion of thrift and rental fashion activity still takes place outside of official corporate frameworks. While this can lower entry barriers, it also restricts consumer remedies and market transparency because many vendors operate without registration, tax compliance, or clear corporate names. A dual market where organized platforms and informal vendors operate under very different legal expectations is a result of the lack of a customized, light-touch registration and compliance framework for small-scale thrift businesses.

### **6.6 Absence of textile-specific extended producer responsibility**

No EPR framework exists for textile and fashion industries, missing opportunities to incentivize clothing reuse and recycling<sup>24</sup>. For categories like plastics and electronic trash, India has started to implement extended producer responsibility systems; however, textiles and fashion have not yet been included in a similar framework. In the absence of such a strategy, manufacturers and major retailers are not legally required to encourage the collection, reuse, or recycling of clothing at the end of its useful life, despite the fact that doing so might greatly lessen environmental effects and bolster the circular fashion ecosystem.

## **7. COMPARATIVE INTERNATIONAL ANALYSIS**

### **7.1 European Union Framework**

The EU has developed comprehensive sustainable textiles regulation<sup>25</sup>:

EU Strategy for Sustainable Textiles (2022): Establishes mandatory Extended Producer

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<sup>23</sup> Digital Services Act, Regulation (EU) 2022/2065 (2022), <https://eur-lex.europa.eu> (last visited Oct. 30, 2025).

<sup>24</sup> LOI RELATIVE À LA LUTTE CONTRE LE GASPILLAGE ET À L'ÉCONOMIE CIRCULAIRE [Anti-Waste and Circular Economy Law], Law No. 2020-105 (Fr.), <https://www.legifrance.gouv.fr> (last visited Oct. 30, 2025).

<sup>25</sup> U.K. COMPETITION & MKTS. AUTH., GREEN CLAIMS CODE FOR BUSINESSES (2022), <https://www.gov.uk/cma> (last visited Oct. 30, 2025).

Responsibility, eco-design requirements, and digital product passports providing lifecycle information.

Digital Services Act (2022): Creates strict transparency and accountability for social media platforms including content moderation and algorithmic transparency<sup>26</sup>. Green Claims Directive (Proposed): Would require scientific substantiation for all environmental claims with mandatory verification processes.

## **7.2 France: AGEC Law**

A number of instruments pertinent to sustainable fashion are introduced under France's Anti-Waste and Circular Economy Law (AGEC)<sup>27</sup>. It promotes repair and reuse, limits the disposal of unsold goods, and extends producer responsibility to textiles. The law also covers marketing strategies, such as requirements for environmental information to be transparent and possible penalties for false statements. When taken as a whole, these actions seek to integrate circular economy concepts into the fashion industry's communication and production processes.

## **7.3 United Kingdom Approach**

The UK has concentrated on making sure that environmental and sustainability claims are true and not deceptive through its Competition and Markets Authority and other authorities. With a focus on thoroughness, clarity, and supporting evidence, the Green Claims Code offers comprehensive guidelines for how companies should present environmental advantages. Regulators now have the ability to step in when customers are deceived about the nature or quality of goods since consumer protection law has been construed to apply to digital transactions, including second-hand and platform-mediated sales.

## **7.4 United States: FTC Model**

Influencer marketing and environmental advertising are largely regulated in the US by the Federal Trade Commission's Endorsement Guides and Green Guides. While the Green Guides establish standards for the presentation and verification of environmental claims, the

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<sup>26</sup> U.S. FED. TRADE COMM'N, ENDORSEMENT GUIDES AND GREEN MARKETING GUIDELINES (2024), <https://www.ftc.gov> (last visited Oct. 30, 2025).

<sup>27</sup> Consumer Protection Act, 2019, No. 35 of 2019, INDIA CODE (2019), <https://consumeraffairs.nic.in/> (last visited Oct. 30, 2025).

Endorsement Guides mandate the explicit disclosure of significant relationships between endorsers and brands. In addition to correcting specific instances, enforcement measures against businesses and influencers that violate these norms also serve to indicate regulatory priorities and deterrent. These comparative examples imply that sector-specific standards, producer accountability, and platform accountability are frequently combined with conventional consumer protection instruments in order to effectively regulate sustainable fashion and circular economy activities.

## **8. RECOMMENDATIONS AND POLICY PROPOSALS**

### **8.1 Strengthening Influencer Accountability**

Transform ASCI guidelines into legally binding requirements under Consumer Protection Act framework by amending Consumer Protection Rules to explicitly include influencer marketing obligations, creating legal liability for violations.

Specific Proposals:

- Mandate sustainability claim verification: Influencers making environmental claims must provide scientific substantiation or risk legal penalties
- Establish "Green Influencer Certification" program for sustainability content creators meeting verification standards
- Create fast-track legal procedures for guideline violations under Consumer Protection Act provisions
- Require annual compliance reporting from influencers exceeding specified follower thresholds

Platform Accountability Mechanisms:

Extend e-commerce rules to social media platforms facilitating substantial commercial activity. Define "social commerce" in Consumer Protection Rules to include Instagram, Facebook, and other platforms. Require platforms to implement automated disclosure detection, monitor compliance, and report violations to regulatory authorities.

## **8.2 Quality Standards Framework**

Develop BIS standards for second-hand clothing:

Technical Standards:

- Standardized condition grading system (Excellent, Good, Fair, Poor) with specific criteria
- Chemical testing for harmful residues, allergens, and prohibited substances
- Authentication protocols for branded merchandise
- Sanitation and hygiene standards for processing and storage

Certification Implementation:

- Launch voluntary BIS certification program for thrift retailers and platforms
- Provide consumer-recognizable quality marks for certified second-hand clothing
- Establish accredited testing laboratories for second-hand clothing assessment
- Create online database of certified sellers and authentication services

Sustainable Fashion Label Initiative:

Establish comprehensive certification recognizing authentically sustainable fashion businesses including thrift platforms, rental services, and circular economy enterprises based on environmental impact assessment, supply chain transparency, circular business model implementation, and community impact.

## **8.3 Enhanced Consumer Protection**

Clarify platform liability framework:

- Define responsibilities for social media platforms facilitating substantial commercial activity

- Establish seller verification requirements for platforms hosting thrift commerce
- Mandate dispute resolution mechanisms for peer-to-peer transactions
- Create consumer protection fund supported by platform fees for unresolvable disputes

Digital Transaction Protection:

- Mandatory return/refund policies for misrepresented second-hand items
- Standardized product description requirements for thrift listings
- Cooling-off period provisions for high-value second-hand purchases
- Independent authentication services for luxury and designer thrift items

#### **8.4 Greenwashing Prevention**

Establish specialized enforcement within CCPA:

- Create dedicated greenwashing investigation unit with scientific expertise
- Develop standardized procedures for evaluating sustainability claims
- Establish partnerships with environmental organizations and research institutions
- Implement whistleblower protection and reward programs

Penalty Framework:

- Proportional financial penalties based on violator revenue and violation severity
- Mandatory corrective advertising requirements for greenwashing violations
- Public disclosure of violations and penalties as deterrent mechanism
- Repeat violator enhanced penalties and market access restrictions

Sustainability Claim Standards:

- Define acceptable terminology for sustainability claims (eco-friendly, sustainable, green, etc.)

- Establish scientific substantiation requirements for different claim types
- Create standardized measurement methodologies for environmental impact assessment
- Develop consumer-friendly labeling requirements for sustainability information

### **8.5 Market Formalization and Support**

Create thrift seller registration framework:

- Simplified registration for sellers exceeding specified transaction thresholds
- Basic compliance training for registered thrift sellers
- Consumer dispute resolution participation requirements
- Tax compliance guidance and support services

Provide incentives:

- GST simplification and reduced rates for small thrift businesses
- Access to government-supported digital commerce platforms
- Participation in official thrift fashion promotion programs
- Consumer trust certification for registered sellers

### **8.6 Circular Economy Integration**

Develop comprehensive policy framework:

- Include fashion and textiles in Extended Producer Responsibility framework
- Establish tax incentives for businesses supporting clothing reuse and recycling
- Create municipal support programs for thrift markets and collection centers
- Integrate circular fashion metrics into corporate sustainability reporting requirements

## **8.7 Consumer Education**

Launch Gen Z-focused awareness campaign:

- Digital-first materials using social media, influencer partnerships, and interactive content
- University and college outreach on consumer rights and sustainable consumption
- Collaboration with sustainable fashion influencers for authentic awareness messaging
- Multi-language resources addressing diverse demographic segments

## **9. CONCLUSION**

India's thrift and rental fashion market reflects an important shift in consumer behaviour, especially among Gen Z users who increasingly engage with fashion through digital platforms and influencer-led content. Yet the legal framework governing this sector remains fragmented. Existing consumer protection and e-commerce rules offer a basic structure, but they do not adequately address second-hand quality standards, substantiation of sustainability claims, or the responsibility of platforms facilitating peer-to-peer fashion commerce.

This article has argued that effective regulation of sustainable fashion in India requires a more tailored approach. Such an approach should include clearer disclosure duties for influencers, verifiable standards for environmental claims, product-quality norms for pre-owned clothing, and a more precise allocation of responsibility for social-commerce intermediaries.

A stronger legal framework would not only improve consumer protection but also support the credibility and long-term growth of circular fashion markets in India. In that sense, regulating thrift and rental fashion is not merely a question of market control; it is also a question of ensuring that sustainability claims in digital commerce remain transparent, accountable, and legally meaningful.