



Considering Crafts Opportunities as the Basis of People's Economy

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Abstract — Craft is the most populist art field and appears in each region with a variety of product styles and functions. As a folk art, crafts have a massive base both production and social, supported by adequate local resources. Under these conditions, it is assumed that crafts are able to become the basis of the people's economy in a sustainable manner. This study aims to analyze the opportunities of craft as the basis of the people's economy and its various problems. This study employs a explanative qualitative research method. Data were collected through observation, interviews, and literature study. Data were analyzed interactively with continuous comparisons during and after data collection. The results showed that crafts have a great opportunity to become the basis of the people's economy, although there are still some problems that must be solved cross-disciplinary. These opportunities and problems are revealed from the results of the analysis and discussion of the basic aspects of the craft, namely: the condition of the craftsman, the production technology, the form and function of the product, and the distribution or marketing of the product. These aspects are the key factors that directly influence on determining craft opportunities as the basis of a sustainable people's economy.

Keyword — craft, basis, people's economy, opportunity, sustainable

I. INTRODUCTION

Arts and crafts play an important role in the growth of business and the global economy. According to the report of the United Nations Conference on Trade and Development (UNCTAD), the global market for creative products has more than doubled from \$208 billion in 2002 to \$509 billion in 2015, with art crafts reaching 45% of total creative goods exports, making it one of the most important creative industry sectors for developing countries in terms of export income [1]. This report indicates that craft products play a significant part in the global economy and market.

In Indonesia, craft art is the basis of the creative economy because it greatly contributes to community economic empowerment and state income. Of all creative economic sectors, the contribution of the craft sub-sector to Gross Domestic Product (GDP) reached 142 trillion (15.40%), with an export value of US\$ 7,798 million (39.01%), total business of 1,194,509 (19%), a workforce of 3.72 million people (22.03%), and growth rate of 21.91% [2]. This validates the importance of the craft sub-sector in driving the national economy. The craft industry is developing throughout Indonesia, with a wide range of products and business models, with the potential to become the basis of the people's economy.

In Gorontalo (one of the provinces in Indonesia), the craft industry is flourishing and significantly contributing to the community's economic development. The number of craft industries reaches 6,220 units, with a total workforce of 11,828 people spreading across all regencies/cities [3]. These craft industries are taking the form of Micro, Small, and Medium Enterprises (MSMEs), which are run on a family basis and involve the communities. The existence of such a craft industry is in line with the principles of a people's economy, namely an economy based on kinship and people's sovereignty [4]. Therefore, crafts deserve to be considered as the bases of the people's economy. However, to do so, it is presumed that various issues need to be further discussed.

This study aims to analyze and discuss the opportunities of craft as the foundation of the people's economy, as well as the challenges, by examining phenomena in Gorontalo Province. The traditional *karawo* textile craft of Gorontalo is the main subject of the study. This is the most developed type of craft, with thousands of crafters involved in both production and social aspects. Other types of crafts, such as pottery, water hyacinth, wood and rattan, are also studied for comparison to provide more representative findings. The basic aspects that influence the existence and development of crafts, namely crafters, production technology, product form and function, and product distribution and marketing, are analyzed and discussed [5]. These elements are similar to those of the people's economy, which covers production, product, distribution, and consumption aspects, that involve a large number of people in utilization and ownership [4].

II. METHOD

This study employs a qualitative approach. The qualitative method is open-ended, in-depth, and naturalistic in nature; studies using this method examine objects, people, and events in their natural settings [6]. Because the qualitative method is flexible and can use several integrated data collection techniques, it is well suited to uncovering craft opportunities as the basis of the people's economy.

The research data were gathered through observation, interview, and literature review. Direct observation was used to obtain visual data related to production activities and craft products. An interview was performed to collect verbal data, particularly on the state of the crafters, production methods, marketing and distribution of products, and efforts to develop the craft sector. Expert crafters, craft designers,

craft entrepreneurs, and government representatives were among those interviewed. To collect honest and authentic information, interviews were conducted openly and flexibly. Finally, the literature review was done to gather secondary data to support the findings of the analysis by referring to previous studies, books, and relevant scientific journals.

Data validation was carried out using source triangulation techniques. That is, similar data was matched using different data sources, and in cases where there was a match, the data was considered valid. Interactive data analysis was done both during and after data collection, using a process of data selection and coding, categorization, display and discussion, and conclusion drawing [7], [8]. Data selection and coding were performed to select and mark necessary data while excluding irrelevant data. Data categorization was carried out to group the selected data by theme. Data display and discussion was to present and interpret the data following the research objectives. Conclusion summarized the findings and their implications for future research.

III. DISCUSSION

Craft is a branch of art that is closest to people's lives, as an artistic, social, cultural, and economic activity. Craft appears and develops in various regions as folk art, which is managed by the people and is intended for the benefit of the people. Such a craft phenomenon, similar to the people's economy as a democratic economic system that emerged from the people, is organized by the people as a joint effort for the public welfare [4], [9]. The relationship between crafts and the people's economy is revealed from the results of studies on aspects of crafts, namely the existence of crafters, production technology, product forms and functions, as well as distribution and marketing.

The Existence of Crafters

Crafters are human capital whose existence has a direct impact on the development of crafts. The aspects of crafters include their number and expertise to produce and innovate. In Gorontalo, there are 4,508 *karawo* textile crafters organized into 816 business units in the form of MSMEs. These businesses are typically run on a kinship and friendship system. Rosmiyati (52 years old), a craft entrepreneur, stated "*In running a business, I prioritize friendship and kinship Profit is not my primary goal. The typical craft business is collaborating for mutual success*" (interview, 7 April 2022). This statement is consistent with one of the ethical principles of a people's economy, namely business partnerships instilled with a mutually beneficial spirit of togetherness and kinship [10]. Crafters, on average, have sufficient skills to produce a wide range of craft products of varying quality levels.

The issue is the decline in the number of crafters. In 1992, there were 7,013 *karawo* textile crafters, but in 2019, the number decreased by 35.7% to 4,508 crafters [11]. The decrease occurs almost in all branches of the traditional craft industry because many senior crafters are unproductive because of age and death, while young prospective crafters prefer to work as employees of stores, banks, financial sectors, and modern business centers, such as malls, supermarkets, and minimarkets. People start working as

crafters once they get married to improve family's economy while taking care of the family. A decrease in the number of crafters is a vital concern that can harm the development of craft production basis.

The government organizes training in craft skills to counteract the decline in the number of crafters. Training participants who become successful crafters then create new groups of crafters in rural areas, making the craft industry more people-based and contributing to the improvement of the economy. Finally, craft becomes a collaborative economic activity that does not favor any particular group. This phenomenon is similar to the concept of a people's economy, namely the implementation of an economy that is focused on the entire population of the country, leaving it to all the people, without taking sides with certain groups [9].

Another issue that needs to be addressed to position craft as the foundation of the people's economy is the scarcity of designers that are capable of designing innovative craft products that can meet the market demand dynamics. Thus, the designer must be treated as a distinct profession from production workers, because designers have the qualifications to estimate current needs and can creatively anticipate future needs [12].

The scarcity of new designers is assumed to be due to the lack of government support. A craft designer, John Koraag (61 years old), admitted that "*I have been actively designing since 1977. I have never received assistance from the government because I do not belong to a craft group. The government only assists crafters who are members of craft groups*" (interview, 15 April 2022). The government needs to update the regulations in providing support, by reaching not only crafter groups but also designers as creative economic actors who work individually. This has been mandated in the Law of the Republic of Indonesia Number 24 of 2019 of articles 5, 6, and 22, concerning the creative economy, that every creative economy actor, either individual or group, has the right to receive support from the government both fiscal and non-fiscal supports. The formal regulation indicates political will from the government for creative industry players who have the opportunity to support craft as the basis of the people's economy.

Production Technology

Production technology is a set of techniques that are applied systematically (methodically) through a series of stages using particular equipment and materials to create and yield products [11]. Craft production technology includes work methods, equipment, and materials, which are controlled by crafters as users of technology to create craft products.

The work methods applied by crafters in the production process vary according to the type of product made, the equipment used, and the materials processed. The traditional crafters who work individually apply their work methods, starting from the preparation of raw materials to finishing to produce unique patterns of craft products. They are commonly challenged when receiving a lot of orders with a limited duration. Crafters who work in groups apply work methods with a specific system of division of labor into production chains, following the pattern in industry. By implementing industrial work patterns, crafters produce

products in shorter duration with standard quality. The craft production system provide space for craft workers to work individually and in groups according to their talents and abilities. This is relevant to the people's economy system, which must provide the widest working opportunity for individuals and groups based on their talents and abilities [13].

In terms of raw materials, Gorontalo has abundant and diverse natural resources that can be used as raw materials for craft products, such as rattan, shell, clay, water hyacinth, bamboo, and wood. The abundance of unique and environmentally friendly raw materials is a great potential that can be utilized for the development of the craft industry. The problem lies in the support in the form of finishing materials and chemicals that are needed by the crafters but are not available. Clamshell crafters have difficulty in attaining shell-softening chemicals to shape them following the design. Hence, the government should support them by providing them with chemicals that they can buy based on their needs. In this case, the government's political will is highly decisive because the success in building a people's economy depends on the political-economic policy that takes the side of people's economic businesses [14].

In terms of production equipment, most crafters use manual equipment. They can carry out production activities, but struggle when demanded to produce a large quantity of products in a short period, with standard shapes and sizes. Rorintulus (58 years old), stated "*I cannot work faster to produce products with same sizes because I do not have a braiding machine*" (interview, 23 March 2022). This means, modern equipment is required to improve the crafters' production performance. The availability of modern equipment in craft production will result in a hybrid production system, which presents the craftsmanship of human touch with machine performance [15]. Using traditional equipment, modern equipment, or a combination of both will provide equal opportunities for all crafters to work and strive. Thus, the opportunity for crafts as the bases of people's economy will be greater, because one of the characteristics of people's economic is to guarantee equal opportunities in business and work [10].

Product Forms and Functions

The forms and functions of craft products are integral because each form has a particular function, either practical, aesthetic, or social. The practical function relates to the use of the product as a means of supporting everyday life. The aesthetic function pertains to the product's ability to add attractiveness and increase the value of the beauty of an object. The social function deals with the product's capacity to convey symbolic values and the identity of its users. The form and function of craft products vary widely to meet the needs and tastes of different consumers.

In the *karawo* textile crafts, variations in shape are achieved by changing the composition of the motifs, i.e., putting the same motif in different positions, and varying the colors, i.e., using different colors of thread and fabric. In this way, a single motif design can yield dozens of different products. Small-scale crafters typically use this method because they are limited in designing new motifs. The large-scale craft entrepreneurs typically buy new designs of motifs

regularly and produce in large quantities to meet the dynamics of market demand sustainably.

In other craft, such as rattan crafts, shell crafts, and water hyacinth crafts, product variations are usually accomplished by adapting existing products, such as furniture models, souvenirs, interior decorations, and accessories that are trending, by relying on the uniqueness of raw material as the distinctive values. However, the success of the crafters in adapting the shapes to produce different product styles from the adapted products is not followed by the ability to adjust standard sizes and ergonomic values, especially craft products that are in direct contact with the anatomy of the human body. For example, water hyacinth craft products in the form of sandals and hats are not comfortable to use because they are too small and do not match the general size standard [5]. Adjustment of size and ergonomics value remain challenges in craft production.

Product variations are also carried out on the quality level. This is evidenced by the statement of Ratna (49 years old), a *karawo* textile crafter "*... here, we do not merely make a high-quality karawo cloth, but also produce medium quality and even low-quality ones, so that more people can make a living by taking part in the production process and more people can buy the products based on their financial ability*" (interview, 2 April 2022). With varying levels of quality, craft products can be taken advantage by wider range of people based on their purchasing power. This also provides more opportunities for all crafters to create products based on their level of expertise. This is relevant to the elements of a people's economy, which involves and benefits more people [4].

Distribution and Marketing Product

Achievement in marketing craft products is not solely defined by the quality and uniqueness, but also by the promotion and marketing methods. Distribution and marketing of craft products are carried out in several ways, through direct orders and sales, collectors, exhibitions, and online marketing. In product distribution through ordering, consumers generally bring samples of the product models they order, and then, the producers and consumers negotiate for the completion time and price of the products. In direct selling, consumers come directly to the production places where the crafters work and then buy the available products. Crafters usually get a higher selling price for their products through direct orders and sales, but such transactions do not occur regularly. Moreover, most consumers are individual purchasers, less guaranteeing production continuity.

Online marketing is carried out by uploading photos of products on online media such as Instagram, Facebook, and other similar media. The online marketing system is essential because it is not only utilized in product distribution but can also be an effective promotional medium. However, the crafters do not make much effort to include the product specifications. Sartin (53 years old), confessed "*I am lazy to upload photos of products in online marketing ... the customers ask for details, such as sizes, materials, weight, treatment methods, and so on*" (interview, 7 June 2022). Therefore, crafters who intend to market their products online need to be equipped with knowledge about the system and requirements of the online market. It should also be considered to provide specialized personnel skilled

in online marketing. Skills in online marketing and branding of craft products are vital for the success of products in the international market [16].

Distribution through entrepreneurs and shops selling craft products is the strategy most often used by crafters in distributing their products because both entrepreneurs and shops often facilitate materials and even provide capital loans to crafters in need. Entrepreneurs often buy all products and pay them directly. Although the price is commonly lower than the market price, this can help crafters to continue their production. This phenomenon illustrates the mutually beneficial cooperation between crafters and distributors for shared success. This is in line with the paradigm of people's economy, namely the development of business partnerships imbued with a mutually beneficial spirit of togetherness [10].

Investigations of several entrepreneurs of craft products have revealed that the entrepreneurs do not immediately sell the handicraft products they buy, but give particular treatments, such as making attractive packaging, listing product specifications, and carrying out special promotions. The entrepreneurs carry out promotions through prestigious exhibitions and include their products in fashion shows (figure 1), which involve models showcasing products on the catwalk. This certainly requires the cost to increase branding and exclusive image to make the products are in demand by socialites and the upper-middle class. Such things are definitely difficult for crafters to accomplish.



Figure 1. Fashion show to promote bag craft products
(Source: Tiar Craft Gorontalo, 2022)

Training provided to crafters to shape them as professional marketers is a dilemma and is not appropriate, because when they are more interested in marketing, they will stop being crafters. Karsum (57 years old), an owner of Craft SME, stated *"Nowadays, I rarely create products. After being trained several times, I understand a little skill in marketing. Now, I'm more focused on marketing. I pass on the production activities to my friends"* (interview, 9 June 2022). This statement shows that crafters who are successfully trained to become marketing personnel automatically stop their roles in production lines so that the production workforce is reduced. Therefore, distribution and marketing lines must be managed by a particular division serving as an "craft economist" equipped with the management and marketing strategies of craft products, as well as making innovations and diversifying the marketing system appropriately, including building networks with large-scale buyers.

The marketing sector will not only play a role in distributing craft products to consumers but also dig up various information on market needs, which is then reported to crafters to create products relevant to market needs. Hence, the market will become a meeting and dialectic space between the crafters represented by their products and consumers, with the intermediary of marketing experts. Such a market becomes more humane because all parties are satisfied. The marketing field must also make an effort to shape the market by finding and educating new consumers about unique craft products that have not been identified by consumers. The success of this effort has created a product-oriented market, in which consumers will look for unique craft products that are in demand. This is dissimilar to marketing with a market-oriented product system, which can lead to unfair price competition. Thus, the opportunities for craft as the basis of the people's economy sustainably will be greater, because all craft products can be distributed in a market culture with fair competition, such as market mechanism in the people's economy is based on the justice with the principle of fair competition [10].

IV. CONCLUSION

Crafts have a great opportunity and deserve to be considered as the basis of the people's economy. This is revealed from the potential and challenges in the basic aspects of craft, namely crafters, production technology, product form, and function, as well as product distribution and marketing. The aspect of crafters is potential because the production of craft products involves thousands of workers as the bases of production and the issues of decreasing the number of crafters can be overcome by providing training for new crafters. Production technology is also potential because crafters can apply various production methods with traditional equipment, modern, or a combination of both, and sufficient raw materials are available for continuous production. Obstacles in obtaining supporting materials and providing more complete modern equipment can be dealt with government support. In terms of the potential of the product form and function, the form and function of craft products are made to vary following the needs and purchasing power of the consumers so that the products can benefit a wide range of communities. The potential of distribution and marketing aspects can be seen from the strategies for distributing and marketing products in various ways to reach various levels of society. However, professionals who understand the management and marketing tactics of craft products appropriately and humanely are still required. By increasing the potential and reducing the obstacles in each of these aspects, it is believed that crafts can serve as one of the bases of the people's economy. The results of the research are open to be examined in other areas to produce more general conclusions in considering the feasibility of crafts as one of the basis of the people's economy in Indonesia.

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