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Second Life: Batik, Religion, Financial Institution and the Lack of Industry

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A. Introduction

Batik is famous in Indonesia and abroad. For Indonesian people, batik has become a daily clothing, the wear of batik is not limited to certain ceremonies. In the environments of schools, the workplaces of local and central government, batik is also a uniform on certain days

Behind the fame of batik cloth, researchers have made many observations toward the batik industry. Pekalongan became a batik making center which is very famous in Indonesia. Pekalongan as a coastal city in the north coast plays a very important role in the development of batik in the archipelago. The coastal batik production grew rapidly on the 1870s, supported by the development of transportation by the presence of trains and steamship. Traders and producers of batik try to meet the diverse consumer tastes, which always demand new innovations. As a result, batik which is made along the coast, especially in the area of Pekalongan develops in a very dynamic style (Ishwara et al, 2011: 24-27). From the results of the 2016 Central Java economic census, the Pekalongan city and Pekalongan regency had 171,003 SMEs, 4% of total SMEs in Central Java Province which were 4,174,210 SMEs.

The fact that the city of Pekalongan is identical with the batik industry is not surprising. Pekalongan batik became one of the small-medium industries that are supporting the national economy in Indonesia (Haryanto et.al., 2013). After several decades where the Pekalongan textile industry was the main central, the predicate began

to fade, until the textile industry is highly dependent on subsidies and government. The role of cooperatives with the government's intervention that provides mori cloth as batik base material and sell it at a cheaper price below the market price. Changes in producer's commitment cannot be separated from business issues such as capital, means and raw materials, consumer purchasing power and also competitions within. Chotim (1994); Sairin (1994) mentioned that this policy was misused by some of the narrow-minded entrepreneurs and took short-term benefits by reselling at a higher price (Semedi, 2003). The differences of principles among entrepreneurs can be caused by the differences of commitments in developing a business.

The way of thinking differences, psychologically, are closely related to spiritual values. In the realm of the workplace, essentially, one has two sides of life (inner and outer life) which are interconnected. The inner side of one's life will make the outer side of his life more meaningful and productive. One's belief in power outside of himself cultivates his self-esteem to be higher (Ashmos, 2000). In addition to being well-known by its batik industry, Pekalongan is also known as the City of *santri*, as the majority of people are Muslims. In everyday life, religious activity is also very prominent. In addition to routine congregational prayer activities, *selamatan*, alms, Islamic religious day celebrations are often held massively.

The discussion about the role of religion in human life is not new. Even in the science of management and economics, religion is a frequently discussed aspect. Religion, simultaneously increases religious activity and secular activity, and enhances the overall utility of business organizations members (Berndt, 2002). The point is, religion also has implications for business organizations (Chusmir et al., 1988). Even, studies have found that someone who has a deep religiosity is more committed to the organization. Not only that, studies also found that a person who freely expresses his religious identity can reduce the level of stresses and problems in the workplace (Kutcher et al., 332).

Research on batik industry is very interesting, because in batik production, it is not only economic value that can be discussed. Social-relational value is also very important to be observed. This is in line with the understanding of batik itself, where batik is not merely a material or object of a piece of cloth, but batik is a non-object heritage, because

batik is actually a creativity that is loaded with the philosophy of life contained in its motive.

Work relationships that occur among batik craftsmen with family, neighbors, relations, environment, traditions, and culture indicates that the business model of batik is in accordance with the assumptions in the informal economic sector that is the economy is rooted in socio-cultural structure such as domestic, family, neighborhood (Plattner, 1989). Similarly in Pekalongan, batik industry in Pekalongan City is included in the informal sector category. This carries a pattern of business that is following the subcontract models, even the majority of its workers are home workers. *Sanggan* that are widely shared with the technique of putting out system makes this industrial system become home industry. This informal sector has the character of a person working on a small scale with activity with relatively little profitability, little capital access to the banking sector, and marked by greater risk and uncertainty (Plattner, 1989). This type of business model is allegedly the cause of this sector's higher vulnerability compared the formal sector in general.

The business model of batik businesses in Pekalongan City are managed in subcontracts. Therefore, batik making are easily found in the homes of people who participates in batik *sanggan*. Their payments do not follow the formal rules such as *UMK/Upah Minimum Kota* (City Minimum Wage), but rather the actual market price, the cheaper, the more interesting for investors or *sanggan* owners. Sjaifudin, Saptari and Chotim (1994) stated that in subcontract relationships, to maintain the continuity of production, in addition to economic motivation also contain social relationships (Sumintarsih, 1998). Wadel (1984) mentioned that social relations become crucial for the functioning of a work organization, as well as the wider society. Even Gamst (1989) stated that this kind of activity is certainly not noticed by economists, who often underestimate the fact that work is a source of cultural and social value, in the sense of through work, humans change nature and society into culturally organized goals by using appropriate cognitive maps. Therefore, work is not only physical and technical, but also patterns of interpersonal relations (Sumintarsih, 1998). The binding values between informal batik entrepreneurs, even at reasonably low wages, reflect that hundreds of years of business is not solely based on economic interests but the spiritual and cultural values

are strongly influenced the multidimensional relationship in batik industry in Pekalongan City, economical-transactionally and social-relationally is very worthy to be studied.

B. Theoretical Foundation

In the analysis of industrial sociology, it is mentioned that the pattern of industrial activity is influenced by wider patterns of life such as values, ideas, beliefs as social, law and politics institutions, which also have very close relationships with such patterns; industrial societies built upon separate consensus of a series of ideas, beliefs and values; with a different language, Feldman and Moore mention that industrial society is a series of social structures (Eldridge, 1973). Social construction is built into the industrial ecosystem and makes it more humane. The common values make the differences and conflicts between business actors minimized.

The discussion of social solidarity is related to the concept offered by Durkheim that societies and social groups can work together as a structure, by taking into account one's concern with another. Hence this problem is closely related to social cohesion and social solidarity. Social solidarity is a complete moral phenomenon, the more social solidarity the more capable the society to maintain their relationship (Durkheim, 1933). This concept fosters the assumption that social relationships are the reason for a community to survive even though material fulfillment is not always the same as expectations.

When Rutten did his research, *the Rural Capitalists in Asia* also found the same thing, that the values of indigenous peoples or natives affect their economic activity. Dependence and resignation make the indigenous' spirituality more dominant (Rutten, 2003). The next finding, Rutten found that among business people, in addition to consideration of economic transactions, social transactions are also applies. In addition, the existence of business is not only caused by market demands, but rather because of cultural and structural approaches built upon consumer networks, kinship, and so forth (Rutten, 2003). Consumers and producers alternately determine the direction of market development, so that the business becomes very dynamic. The statistical judgment of an industry is essentially inseparable with qualitative dimensions including the underlying sociological relationship (Saleh, 1986). This is related to the organizational culture in

industrial relations that is slowly binding each component which play roles to have the same commitment and integrity.

The work culture built by entrepreneurs and workers requires its own meaning. The culture studied is not only seen from the physical aspect but from the hidden side. Similarly in skipper and laborer, each of them has the values and culture adopted from their values and culture before joining each other. Therefore batik industry as an organization can be said as not value-free. It is the ideational schools of thought that better understand the culture of an organization on what is shared (shared, imbued, and practiced together) among members of the organizational community (Sobirin, 2009).

C. Method

The phenomenon of workers' lives, symbols in cultural traditions, religion, myths and tidal dynamics of batik entrepreneurs cannot be understood simply by linking one another. It needs a deep analysis of the meaning behind the reality of their lives. This is where the researchers need another approach that is symbolic interpretative approach. The primary data source in this research is the workers and entrepreneurs of small and medium scale batik industry. The characteristics of small business applied in this research are: **first**, workers who are relatives or it may also non-relatives like neighbors or friends of religious social organizations, or a combination of the three. **Second**, business activities can be done at a certain time according to the wishes of the business owner, since business activities are conducted at business owner's homes so that the business process becomes very flexible. **Third**, there is no rule/legal therefore there is no formal protection. **Fourth**, entrepreneurs/owners are generally directly deal with the production process, such as determining the number (score and size) of batik, when checking the quality of the batik's *babaran* like batik color and motive, as well as ordering raw materials such as mori cloth, string, batik dye and so on. **Fifth**, has an investment value of between 200 million and 5 billion rupiah. The nominal estimates obtained during the dialogue process take place both with the business owner and with the foreman.

As the growth of small businesses happening dynamically related to the culture and environment, this research makes sense to be done through anthropology approach. The

data collection activities in this study were as a means of determining individual informants, collecting access to information, finding specific cultural diversity, recording (Creswell, 1997). For these purposes, researchers conduct observations, in-depth interviews and documentation. The communication ability of the researcher becomes the main instrument or tool for collecting data (Flick, 2002).

D. Analysis

The existence of the origin of Pekalongan batik cannot be separated from the history of the Mataram Kingdom in the 18th century with its King, Panembahan Senopati. As the dynamics of a conflict-rebellion government whose main factor was power led the wars to continually rages by that time. These wars are happened on both against the occupiers and the divisions among the royal families. Inevitably, the conflict of the disintegration war resulted in many royal families began to spread to various regions. Those who disagree flee to the south of the mountains and coastal areas. It is in this new area that those who live adapt to develop their culture.

During that time batik is still made limited to individual needs. So the pattern and color were still refers to the nuance of Yogyakarta and Surakarta palace from where they came from. Since the war against the colonialist (Dutch), the followers who did not want to compromise with the colonialist and remain loyal to the Prince Diponegoro's struggle chose to defend the principle and tried to survive in the regions as a place of struggle, such as in the Pekalongan coast. To survive, they do not just rely on agricultural products, but the expertise to make batik is also practiced. The produced batik was no longer for just personal needs but later on, the manufacture of batik is shifted, it is used to meet the need to sustain the economy. In 1830 batik slowly began to change into new land as a livelihood. This is the point where batik began to develop as a commodity. Until 1860, batik business continues to grow in Pekalongan. The working model that applies were daily wages, some are based on the number of pieces of batik produced (wholesale).

Basically, batik a dialectical process, not just how a person pours a message on the symbols found on the batik motives. The dialectical process is also implicit in the dynamics of small industries. In the early development, batik is only present around the

life of the palace with a non commercial orientation, and then turned into a segment of activities that provide a source of income in the form of batik business activities (commercial mindedness). In addition, the dialectics of employers, workers, environment, beliefs, rituals and traditions are closely related to how they deal with the tides of the batik industry.

The understanding of industry as an organization is no longer seen merely as a formal and rational instrument that is deliberately formed simply to help people to meet their needs, but the organization is understood as a living organism that has a living system and as a society in which the aspects of life of organizations and the environment has received more attention than placing the organization as a tool (Sobirin, 2009).

In its practice, the subcontracted batik works can take place either vertically or horizontally. This is related to who gives the capital like mori clothes and dyes and strings that are needed. As mentioned in Beneria and Roldan (1987) that based on the supply of raw materials, horizontal subcontracting does not require the customers or buyer to provide the raw materials. While in the vertical subcontracting, the buyer must provide the necessary raw materials (Setyarini, 1994).

Batik business fluctuations require entrepreneurs to be able to adapt in both managerial and individual for the entrepreneurs which relates to believed values or teachings, for the main purpose which is maintaining the existence of batik business itself. The batik craftsmen cannot keep their business alone. It is clear that government support is needed. In relation to the problem of batik waste, for instance, the Office of the Environment has sought the construction of WWTP as a means to reduce the level of waste pollution before it is finally channeled into the rivers.

In addition to overcoming the waste problem, the local government of Pekalongan City has also held events such as Batik Carnaval, National Batik Week (*PBN/Pekan Batik Nasional*) everytime Pekalongan celebrates its anniversary, even International Batik Week (*PBI/Pekan Batik Internasional*) has been done several times in Pekalongan City. In addition, the existence of batik villages is another program that shows the seriousness of the Pekalongan City government. The existence of batik kampong like Kampung Batik Pesindon, Kampung Batik Kauman, Kampung Batik Wiradesa could help a lot for batik entrepreneurs in Pekalongan City to attract visitors and consumers.

In the batik industry relations in Pekalongan City indicates that there has been a process of social mystification. With the profile of batik craftsmen who are commonly Islam, it appears that there are transcendent considerations when responding to all life events embodied with symbols that are not only material but also non-material. So sometimes it becomes illogical and inconsistent when economically, both laborers and entrepreneurs are actually have the right to put an effort for their sacrifices to get their rights, but that is not done by reason of keeping a "harmonious" relationship between them: between the merchants and the subcontractors, either who still have family relationships or not, also between workers with skipper. That is what actually happens both individually and collectively. The phenomenon has evolved in a very long time and become a social capital that sustains the existence of Pekalongan batik business.

The interaction among entrepreneurs and workers who are mostly Islam, describes how they practice their religion and embodied it in the role of interaction. This confirms that until present time, the interaction between religion and business continues. Among batik entrepreneurs, Islam has functioned ideologically in running a business relationship. This study also found that in business relationships: among traders and entrepreneurs, among entrepreneurs and raw material suppliers, between employers and workers and even among fellow workers, business interests also determine the interpretation of religion.

For the batik community in Pekalongan, beliefs and ratios function complement each other, although with different mechanisms and have different roles (Asy'arie, 2002). The relationship ties that occur during the batik business runs illustrates how the value of each party-whether based on religion and culture-is believed and expressed so as to bind the interaction (shared) by the parties such as skipper, laborer, material provider, subcontractor and so on .

Collective conscience among employers, laborers, subcontractors and others that should reflect the relationship between the sources of values, one of which is religion and society (industrial society) as described by Talcot Parson (1965) among Pekalongan batik practitioners is an exception, because although the majority of business actors are religious people, in this case is Islam, but not all of those business actors have the same potentials to be trusted.

In this study, entrepreneurs often also receive unfavorable behavior such as fraud from business relations, or subcontractors that do not work well, as well as laborers who are sometimes still having conflicts. In addition, employers also face a number of other issues such as: management, especially poor financial literacy. The main obstacle is the low awareness to sort out finances and expenses, lack of documentation/administration. The lack of marketing strategy knowledge, financial capital problems, and low competitive entrepreneurial spirit. The business development itself is also influenced by increases in price, limited production capacity, and also climate or weather.

In Pekalongan city, the presence of sharia financial institutions is very helpful for the development of batik business. Through BMT (Baitul Mal wa Tamwil) and sharia cooperatives which are guided by the Industry, Trade and Cooperatives Agency. In addition to BMT, batik entrepreneurs also obtain capital loans from large companies or state-owned enterprises that distribute through credit in mild return. Nevertheless, most of them borrowed from commercial banks. Disparities between commercial banks and BMTs or sharia cooperatives commonly occur due to the diversity of information access. Although the number of borrowers in the BMT and the Sharia Cooperative is lower than the commercial banks, the advantage possessed is the close distance to the business actors so the procedure becomes easier and faster. The government's attention by establishing batik kampong at some points in Pekalongan also greatly help with marketing and the heritage tourism in Pekalongan City. In addition, various exhibition events both national and international scale that is held annually are also very helpful for business actors for looking for market target. From all activities don both personally and involving the government is pretty meaningful to overcome the weakness of batik industry.

E. Conclusion

Batik is a multidimensional media for people in Indonesia, especially in Pekalongan. Economic, social, cultural, psychological and spiritual dimensions are very closely formed in the batik industry. This makes the industry has a unique nuance. Religion became a kind of glue that binds social cohesion in relationships among batik industry components. The religious traditions and beliefs of business actors have

obscured the boundaries of social structure. Nevertheless batik business activities experience its second life with various saving effort, both spiritual and financial.

The batik industry faces various organizational and managerial problems that potentially influence the business development systemically. The weaknesses of small and medium enterprises generally include capital, financial management, marketing, human resources, networks, and competitors. Understanding of religion becomes a contributor to restore the spirit of struggle and foster the confidence of business actors.

For management studies, this research understands the working relationship that occurs in small and medium scale batik business organizationally. While for economics, this research contributes by showing that batik as an industry is not only covers the transactional field of profit and loss, but in the action of person to person to fulfill their needs also contains patterns of personal relations, which is closer with the values that individuals believe.

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