



Multi Commercial Economy: The Development of Socio-Economic Network Complexity of Batik Industry in Surakarta

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Abstract

This study analyzes that why the socio economic networking development in batik business become more complex along with the contact of commercially economic culture for fulfillment of the consumption and the commercially economic culture for the production improvement. The method of this study is naturalistic inquiry, to describe the interrelation of culture and economy which is simultaneously forming a dual commercially economic and the development of socio economic networking complexity of batik business. The two of commercially economic model of batik business are separately grow, but there is a connection among them. This interconnection is complementary or interfilling in the production relation and trading relation. The vertical interconnection is among the big and small industries, while interspace connection is among the batik industrial center in village and in urban. Those complexity of social economic networking trend to use the cooperation relation pattern of mutualism and domination which is cost saving.

Keywords: Dual commercially economic, Networking, Batik business

1. Background

Surakarta City is well known as a commercial city, which is located in Central Java province in the mountainous slopes of Merapi and Lawu mountains with the height of approximately 92 m above sea level. The city has reliable manufactured and commercial commodities, namely: hand-drawn batik, stamped batik, and printed batik. In the early years of the twentieth century at batik villages of Laweyan and Kauman Surakarta, the hand-drawn batik home industries and stamped batik factories developed. The owners of the home industries were assisted by their family members or relatives to manufacture each unit of hand-drawn batik products. The products of the home industries were then sold by batik *bakul* (batik retailers) in the local market in order to earn profits, which were used for the fulfillment of their consumption necessities (Note 1). Meanwhile, *juragan* (the owners and/or merchants) of the stamped batik businesses assisted by tens of low paid workers managed their factories to manufacture stamped batik in big quantities. The wholesale merchants sold a large quantity of the products in the local and regional or national clothing markets in order to gain big profits which were used for manufacturing development (Note 2). During that time, the community of Surakarta only recognized two kinds of batik, hand-drawn batik (soft batik) and stamped batik (hard batik). The two kinds were aimed at fulfilling two different market segments.

In the early of the twentieth century in batik village of Laweyan Surakarta, a group of housewives called *Mbok Mase* was well recognized for their reliable batik industry management. They were successful to develop hand-drawn and stamped batik businesses, which was able to increase job opportunities, household incomes, and economic growth (Note 3). In 1912 the association of Islamic local traders called *Sarekat Dagang Islam* in the region was established. The association quickly expanded its batik commercial network from Laweyan to big cities all over Indonesia. Due to its rapid expansion, the Dutch Colonial Government then carried out a series of continuous economic and political pressures on the association. As a result, the indigenous batik commercial network gradually became powerless (Note 4).

In the 1960s, the Old Order government of the Republic of Indonesia developed a policy of *Benteng program*, whose aimed to promote indigenous Indonesian entrepreneurs in Indonesia.

The program successfully advanced the glory of the indigenous people's batik businesses particularly the ones in Surakarta (Note 5). However, while the batik commercial network then widely expanded from the local markets to domestic markets, the New Order Government developed a policy of economic growth which was mainly based on capital intensive, technology, and imported machinery that produced mass products of printed batik. The more competitive excellence of the printed batik industries made the stamped ones collapse. Meanwhile, the home industries of hand-drawn batik could still exist, even up to the present day, because the motifs and functions of the hand-drawn batik clothing were used for special occasions in Javanese traditions and customs. The endurance of the hand-drawn batik businesses not only accounts for the motifs and functions but also is related to the manufacturing relationship network between batik *juragan* and household-based batik craft artisans (Note 6).

The development of batik industries mentioned above indicates that there is a contact between the culture of commercial economy oriented to the fulfillment of consumption necessities and that of commercial economy oriented to manufacturing development. The contact of commercial economy causes the autonomous home industries hard to grow and expand, but changes them into household-based batik craft artisans due to the complexity of socio-economic network of batik industries.

2. Problem statement

The socio-economic network of batik industries develops dynamically from time to time along with the contact of the culture of commercial economy between household-based batik craft artisans and batik *bakul* whose businesses are oriented to the fulfillment of the consumption necessities. *Juragan* (the owners and/or merchants of batik industries) and *saudagar* (merchants) whose businesses are oriented to manufacturing development. Based on that fact, the problems of this research are formulated as follows:

- 1) How do the economic processes construct the multi commercial economy in the society of batik industries?
- 2) In the context of the multi commercial economy, how are the shifts in the manufacturing organizations and work ethics that take place in the society of batik industries?
- 3) Along with the development process of commercial economy, what complexity of socio-economic network of batik industries develops in the society of batik industries?
- 4) In the context of multi commercial economy and the complexity of socio-economic network of batik industries, how do the economic power and the economic dependence in the economic relationships construct the position of batik business units?

3. Objective and benefit

3.1 Research Objectives

- 1) to describe the economic processes that construct the multi commercial economy.
- 2) to describe the multi commercial economy, the shifts in production organization and work ethics.
- 3) to describe the complexity of relational network between hand-drawn batik home industry and stamped batik factory and printed batik manufacture.
- 4) to describe how the differences of economic power and the dependence level in the economic relationships determine the differences of the position of batik business units.

3.2 Research Benefits

The research is expected to reconstruct the theory of economic dualism so that the perspective of the multi commercial economy can be used as a theoretical reference for analyzing the economic development in Indonesia.

4. Literature review

The study conducted by Boeke (Note 7) proposed a dualistic economic thesis between capitalistic modern sector and pre-capitalistic traditional sector in the economic development during the period of the Dutch Colonialism. The traditional sector and the modern one was run on their own path or was not related to each other. The former was marked by the dynamics which resulted in economic growth, whereas the latter was marked by stagnant growth or did not undergo any growth at all.

The problematic of classical dualism theory suggested by Boeke is dichotomy-based and static. Meanwhile, Todaro (Note 8) argued that the existence of economic dualism theory is inter-relational between the traditional economic sector and the modern economic one through the following process: a) economic dualism is a different structure in which the powerful economy and the powerless economy are interrelated in their existence in terms of the same space and time, b) the co-existence of the former and the latter is chronic and is not a sign of the transitional existence. Such a

condition is not a temporary phenomenon which fades along the time goes by. The disparity between the powerful economic structure and the powerless economic structure is proven to have not decreased, but tendentially to have increased because both of them are structurally and institutionally different, c) the level of superiority and inferiority has been proven not getting lower, but there is a tendency that the gaps tend to increase, and d) the inter-sector relationships between the powerful modern economy and the powerless traditional economy do not make the former able influence the latter. On the contrary, in reality the strong development exactly dominates the weak development.

The set of problems of thesis on the economic dualism existence uses a conflict approach by neglecting the functional relationships between the traditional economy and modern economy. Meanwhile, according to Ranis (Note 9), economic dualism is a continuum process because the modern economy sector has a relationship with the traditional economy sector. Indeed, it is affirmed that the former is the continuation of the latter. He argued that the development of modern economy sector becomes established because it tries to compete with the rapid development of external aspects. As a result, the modern economy sector possesses the capacity of absorbing the traditional one. However, due to the increasing surplus of unskilled laborers in the traditional economy sector, the modern economy sector is not able to absorb the entire gap.

The set of problems of the thesis on continuum economic dualism exceedingly gives priority on the functional approach by ignoring the conflict relationship between the strong modern economy sector and the fragile traditional economy sector.

Using the conflict and functional perspective, Rutten (Note 10) found that the relational network between the modern industrial sub-sector and the traditional industrial sub-sector in Asia tends to use a mutual relationship pattern (functional) and a dominant relationship pattern (conflict).

Emerson (Note 11) highlighted that the economic power and the dependence on economic relationships affect the position of economic actor.

5. Research process

This research used naturalistic inquiry (Note 12). The aim was to describe how the cultural and economic process simultaneously constructed the multi commercial economy and the development of socio-economic network complexity of batik industries in Surakarta. By considering the spatial relationship and the sub-culture area, the location of the research was conducted at batik villages of Laweyan and Kauman Surakarta, batik craft industries of Pungsari village, Sragen and Kuala Lumpur Malaysia. The data validation involved a thorough triangulation, which covered the information source (informants) and data gathering methods. The data were gathered through participatory observation, in-depth interview, and content analysis. The data were analyzed by using description of socio-economic network (Note 13) and interpretation of culture (Note 14). The informants consisted of household-based batik craft artisans, batik *bakul*, batik *saudagar*, batik *juragan*, export agencies, buyers, consumers, and other related parties. The informants were chosen according to a consideration that the informants can reflect their selves and business partners.

6. Result and discussion

6.1 Industrial Development and Batik Commerce

The development of batik industries is concentrated in the centers of batik industries of Laweyan and Kauman and in other centers of batik industries scattered all over Surakarta. Batik village of Laweyan Surakarta develops as the village of Moslems who faithfully perform their observance of Islamic religious duties. In 2006 in batik village of Laweyan, there were 11 hand-drawn batik industries, 31 stamped batik industries, 3 printed batik industries, 3 batik garment industries, and 122 household-managed business units of batik commerce. The existence of batik village of Kauman has been closely related to the Muslim Leader of the Great Mosque of Keraton Kasunanan Surakarta.

In 2006, in batik village of Kauman Surakarta, there were 26 batik industry centers and 26 batik show rooms. The skills in batik craft industry centers of Puringsari village, Sragen are derived from those in batik villages of Laweyan and Kauman Surakarta. At the same year, there were 374 manufacturing units consisting of 1 big industry, 9 middle-scale industries, 1 small-scale industry, and 364 household-managed autonomous batik industries.

Klewer market is a batik market located in the area of Keraton (Palace) Surakarta. The existence of batik merchants in the market cannot be separated from the image of *Mbok Mase*, particularly for their bravery to encounter various challenges of their period.

6.2 The Process of Multi Commercial Economy Structuring

Batik artisans and batik *bakul* manage their batik businesses in order for them to gain profits to fulfill their consumption necessities, whereas *juragan* and *saudagar* manage their stamped batik factory and printed batik manufacture in order for them to gain profits for manufacturing development.

There is a tendency of commercial economic culture difference in determining the process of structuring the socio-cultural economic capital. *Juragan* and *saudagar* have big economic assets, broad socio-economic networks, and high knowledge of managing their batik factories/manufactures accumulated and inherited from the big family or predecessors whereas household-based batik craft artisans and batik *bakul* have small economic assets, local or limited socio-economic networks, and limited knowledge of managing their batik home industries inherited from the parents to children of a nuclear family.

The difference in socio-cultural economic assets affects the difference in socio-economic position of batik manufacturers and merchants due to the Javanese culture values that link between *bondho* (wealth) and *tahta* (throne). The bigger the wealth is owned, the bigger donation shall be addressed to the poor and for the prosperity of the mosque, and the donation extended will in turn increase their socio-economic status within the society. The community of batik villages of Laweyan and Kauman, and Klewer market of Surakarta calls some one as a batik *juragan* or a batik *saudagar* due to his/her strong socio-cultural economic assets. Meanwhile, the local community calls someone as a batik artisan and a batik *bakul* due to his/her weak socio-cultural economic assets.

The difference in socio-economic status is always accompanied by the difference in viewing the behavior of consumers. *Juragan* and *saudagar* focus on the recognition of the behavior of traditional consumers of hand-drawn batik clothing, the needs for school/office uniforms, and clothing styles of consumers. On the contrary, household-based batik craft artisans focus on the recognition of the behavior of traditional consumers of hand-drawn batik clothing, and batik *bakul* focus on the recognition of the behavior of batik consumers of the middle-lower economy group.

The difference in the production mode, the culture of commercial economy, the socio-cultural economic asset structuring, the socio-economic status, and the view toward the behavior of consumers simultaneously give shape to multi commercial economic model.

6.3 The process of Commercial Economy Development

6.3.1 Multi Commercial Economy

Insert Matrix 1 about here

The matrix describes the differences and similarities between the model of household-based batik craft artisans and batik *bakul* and the model of batik *juragan* and batik *saudagar*. The similarities and differences are as follows:

The household-based batik craft artisans and batik *bakul* manage their batik businesses commercially for their life survival. Therefore, their economic morals are more prioritized on safety and avoid risks that can harm the economic life of their family. They manage their batik businesses based on the family tie so that they cannot differentiate the business importance from the family importance. In addition, their batik business is also oriented to the fulfillment of consumption necessities. They are much more bound to social ties, neighborhood, friendship, and brotherhood so that their economy is more collective-oriented.

On the contrary, batik *juragan* and batik *saudagar* manage their stamped batik factories or printed batik manufactures commercially for the manufacturing development. Therefore, they manage their business based on the economic rationales. They are able to differentiate the economic importance from the family importance. The economic importance encourages them to focus more on individual importance in conducting their batik manufacturing activities and batik sales. They emphasize more on contractual economic relationships in which each party assumes clear and specific rights and responsibilities.

The two models of economy have their own business mechanisms. Yet, both of them have similarities in term of commercial business and are related to each other as a series of manufacturing units of hand-drawn batik industry, stamped batik industry, and printed batik industry. Therefore, they have a close relationship to each other. The relationship is complementary in terms of manufacturing and commercial relationships.

6.3.2 The Shift in Manufacturing Organization

The contact between the commercial economic culture oriented to the fulfillment of consumption necessities and the commercial economic culture oriented to manufacturing development has established the shifts in manufacturing organization consisting of the workgroups of household-based batik craft artisans, autonomous batik home industry, and batik factory/manufacture within the community of batik craft industries.

The group of household-based batik artisans uses the local technology consisting of *canting cucukan/tembakan*, *anglo*, *tepas*, *gawangan keren*, *piso kerok* and blunt wire for long production lines. All of the production lines are possible to be conducted in one or several houses next to each other. A *mumpuni* (well-trained) batik artisan is a person who has skills to do all of the manufacturing processes, and is usually assisted by several batik laborers who are learning certain skills of the production lines. The artisan gets manufacturing equipment, cloth materials, and wax from *juragan* or *saudagar* through foremen (*carik*). Each hamlet usually has 3 to 5 foremen and 3 to 5 groups of *pocokan* (temporary) and cluster batik artisans. The artisans are not accustomed to writing matters related to consumption cost, materials,

manufacturing equipment, and finance, but memorize them. The foremen manage and provide all of necessities required by the artisans. The relationship between the skilled batik artisans, unskilled batik laborers, and foremen is according to the family principles. The amount of remuneration or wage is determined by *juragan* or *saudagar* and foremen. The wage of temporary batik artisans ranges from Rp240,000 to Rp320,000/month. The wage of unskilled laborers ranges from Rp80,000 to Rp120,000/month depending on their workload. The wage of cluster batik artisans ranges from Rp320,000 to Rp400,000/month, and the wage of unskilled cluster batik laborers ranges from Rp120,000 to Rp180,000/month depending on their workload.

The autonomous batik artisans are assisted by the members of their family and several hired workers. They manage their batik industries according to the family principles, and prioritize family's moral considerations as a basis for decision making in executing their business. They manage their own assets autonomously such as manufacturing space and traditional manufacturing equipment. The need for raw materials such as cloths, wax, and dye depends much on *juragan* or *saudagar*. The work divisions of batik manufacturing are based on a series of phases of manufacturing activities, namely: *nyorek*, *mbatik*, *nerusi*, *nembok*, *ngiseni*, *nyoga*, *mbironi*, and *babaran*. Each phase of manufacturing activities is regulated orderly so that the aims of the manufacturing activities are achieved. The administration of the manufacturing activities is simple, which only consists of revenues, expenditures, orders, and productions.

Batik *juragan* develop stamped batik factory/printed batik manufacture based on the economic organization. Authority hierarchy is centered on batik *juragan*. Batik *juragan* prioritize rational considerations of economy in each manufacturing activities, and has his or her own assets such as manufacturing equipment, raw materials, and manufacturing space. The work divisions are based on the job specialization. All of manufacturing activities are conducted in one location. *Juragan* conduct inter-job coordination among the prevailing departments so that each department can maximally contribute to the whole result of the manufacturing activities. The regulations that rule rights, responsibilities, and sanctions to the workers are stated in the company's articles of association. The work incentives are calculated according to the work achievements that improve productivity. The finance, personnel, and warehouse administrations are carried out by using computerized scheme.

6.3.3 Shift in Work Ethics

The shift in work ethics takes place due to the changes in ideological and business importance. The shift in ideological importance occurs because among the Moslem entrepreneurs, there have been young educated businessmen. The old Moslem entrepreneurs consider the Islamic teachings by giving more priorities to the life after death than to the current life in the world. They believe that the success in the religious life will bring the success to the current life in this world. On the contrary, the young batik businessmen consider the Islamic teachings by giving the same proportion to the life after death and to the current life in this world. They believe that the religious life is important for the life after death, and the current life's issues in this world shall not be left because they contribute to the observance of religious duties.

The shift in the business importance takes place because among the batik businessmen, there have been young and more educated generations. The old generations had gloomy experiences to compete with the printed batik industries. They felt lost, set apart, and eliminated due to the allegedly unfair competitions in the New Order era. In contrast, the young batik businessmen have high business spirits and awareness on the importance of business competitions. The shift in the religious ideology importance as well as the business world importance has caused the change in work ethics of batik *juragan* and batik *saudagar*.

Juragan and *saudagar* inherit the work ethics of *Mbok Mase*, are well known as *ulet* and *gigih* businessmen, which means having preserving and tough working spirits, working hard, working diligently, and disciplined, and are famous as *setiti lan ngati-ngati* businessmen, which means being careful, economical, and fond of saving. *Juragan* and *saudagar* have a new awareness of the importance of competition in a business, that is, the awareness to improve their business achievement so as to win the business competitions and to bear creativity to create new motifs of batik clothing, dye formulation, and clothe designs along with the era advancement. In addition, they also have an awareness of the importance of time to plan a better future business.

The socio-economic life background of the household-based batik craft artisans and batik *bakul* is agricultural farmer-based. The farmers believe that *Gusti Ingkang Maha Kuawos* (the Almighty God) powerfully destines the life of human beings. In their knowledge system, the success in the farming is merely a *pulung* or a fate (luck). To be successful in the farming, their farming life should more oriented to a *pulung* or a luck. *Pulung* makes them work hard. If the results of what they do have not been or are not as the ones that they have expected, the concept of *pulung* is used to legalize them. The gloomy experiences due to their loss in the competitions in 1980s have encouraged household-based batik craft artisans to be more loyal to their workgroup and to be more cooperative to the foremen who work as supervisors for their workgroup. A household-based batik craft artisan will be afraid of performing differently to the other members of his or her workgroup. This strengthens their belief that *Gusti Ingkang Maha Kuawos* will bless them with good fortunes as many as their workgroup needs. *Gusti Ingkang Maha Kuawos* knows better what is proper

for and what is that the individual or the workgroup needs for his/her life today and in the future. An individual's peaceful life is determined by the good fortunes that do not exceed or go below the income of the other members of the workgroup. When an individual gets such an income, he or she will not be committed to harmful or unnecessary actions. If he or she does such actions, they may interfere other people's peaceful life. It is such a life point of view that makes household-based batik craft artisans and batik *bakul* able to survive from various economic pressure, but unable to expand their business.

6.4 The Complexity of Socio-Economic Network of Batik Industry

As explained above, the economic model of household-based batik craft artisans and batik *bakul* and that of batik *juragan* and batik *saudagar* are interrelated in the batik production and trade activities. The vertical relationship (large-scale industry – small-scale industry) and the spatial relationship (village industry center – city industry center) between the stamped batik factory/printed batik manufacture and hand-drawn batik home industry grow the complexity of socio-economic network of batik industry. In addition, the production relationship network expands between the local batik companies and the batik companies in the country and overseas. The pattern and function of manufacturing relationship network become diverse. The diversity of batik manufacturing relation network tends to use the dominant relationship network pattern. The stamped batik factory and printed batik manufacture develop manufacturing relationship network to household-based batik craft artisans in villages in an attempt to reduce the cost of labor because the wages of labor in the villages are lower than those of labor in the cities. On the contrary, the industrial sub-contract relationship network between the stamped batik factory and printed batik manufacture and the autonomous batik home industry is established due to specialization owned by each party involved in it. This specialized sub-contract relationship network is mutual cooperation, which is of benefits to the involved parties.

The increasing number of commercial institutions related to selling-buying activities accompanied by the improvement of types of traders has grown the complexity of socio-economic network of batik traders. The trade relationship network becomes wider from the local markets to domestic-export markets, and the trade relationship network pattern varies. The diversity of batik trade relationship network pattern is divided into mutual relationship network pattern and dominant relationship network pattern. The former includes commercial sub-contract, regional coordinator, fixed customers of *ngalap nyaur*, *nitip*, and *induk semang*. In contrast, the vertical relation network between *saudagar* and *bakul* is a dominant relation of sub-ordinate. This network includes *nempil* and *ngempit*; *saudagar* uses batik *bakul* as a means of gaining profits.

6.5 Position of Business Unit

Exporting *juragan* develops industrial sub-contract and commercial sub-contract to industries and overseas trade companies. *Juragan* uses export strategies by utilizing the trademark of buyers' overseas companies for the sake of export smoothness. *Juragan*'s success in the batik export is a key success of the position of their business units to expand. The manufacturing capacity, market turnover, circulations of traded goods, profits, and business assets tend to increase.

The position of business units survives due to the rational strategies in the batik production and sales. In the former, *Juragan* and *saudagar* reduce the cost of labor whereas in the latter they monopolize the goods sales and counterfeit the products that are having good selling. The rational strategies in the production and trade relationships are a way to survive the position of their business units. The manufacturing capacity, market turnover, circulations of traded goods, profits, and business assets then become established.

The foremen have moral responsibilities to find job orders for the groups of *pocokan* batik workers. When the job orders decrease in number, the foremen's incomes and job responsibilities, and the position of their business units will also lower. Batik *bakul* usually use moral strategies in the sales with a hopeful expression of *tuna satak bati sanak* (a small loss does not matter as long as the number of faithful customers is big and is increasing). Thus, if the purchasing ability of the batik consumers and the batik demand decrease, the profits as well as the position of their business units will also decrease.

The closing of the position of business units is related to the low economic power and the high dependence on the manufacturing and commercial relationships. The *pocokan/susukan* batik artisans have a high dependence on foremen, and the foremen have a high dependence on batik *juragan* or *saudagar*. Due to such a graded dependence and the lowering job orders, the incomes of *pocokan/susukan* batik craft artisans also decrease up to the marginal limit of approximately Rp120,000 to Rp240,000/month. Therefore, temporarily the business units are closed. *Ider* or *oprokan* batik *bakul* has a dependence on batik kiosk *bakul*, and the batik kiosk *bakul* has a dependence on *saudagar* or *juragan*. Such a graded dependence makes their income distributions worsening, and this leads them to changing their profession to others. The shift of profession is a strategy to survive the life among those who bear powerless economy and live in the villages. The strategy of having multi income generating pattern by having *serabutan* and *musiman* jobs (manual/unskilled and seasonal) such as being a farm worker, a construction laborer, and a batik craft laborer.

7. Conclusion and recommendation

7.1 Conclusion

The difference in commercial economic culture, the construction of socio-cultural economy assets, the socio-economic position, and the point of view of consumers' behavior have shaped the multi commercial economy. The economic model of batik artisans/*bakul* is aimed at fulfilling their daily consumption necessities whereas the economic model of *juragan* or *saudagar* is aimed at developing their batik business manufacturing. The two economic models develop on their own path, but are interrelated to each other. The interrelation is complementary in the manufacturing and commercial relationships. The vertical relationship between the big industries and the small ones and the spatial interrelationship between the batik industry centers in the village and those in the city have established long and diverse socio-economic networks of batik industries. The complexity of socio-economic network of batik industry applies mutual relationship that is of benefits to the involved parties and dominant relationship pattern which causes production cost-cutting and cost-saving.

The difference in economic power and the dependence on the mutual relationships have made the position of business units of *juragan*, *saudagar*, autonomous batik artisans, foremen, and special batik artisans survive. Even they have made exporting *juragan* able to develop the business units. In contrast, the difference in economic power and the dependence on the dominant relationships have made the owners of big assets decrease the position of business units of batik *bakul*, foremen, and household-based batik craft artisans, and even they tend to make the business units of some of *ider-oprokan bakul* and *pocokan-susukan* batik artisans collapse.

Stamped batik factory and printed batik manufacture expand rapidly to respond the demands of domestic-export markets. Such an expansion has to do with sub-contract of home industry specialization. However, because the number of unskilled laborers in the village is too big, batik *juragan* and *saudagar* do not have capacity of absorbing all of them in their business units. As a result, the work group of household-based batik craft artisans and batik *bakul* in the villages have stagnant business units. Yet, such a condition does not hamper the relationships between the multi commercial economy model for the fulfillment of daily necessities and the multi commercial economy model for sustainable manufacturing development.

7.2 Recommendation

This research results in a perspective of multi commercial economy, which is a reconstruction of the thesis of economic dualism. The sharp difference between the economy in sector and the inter-sector economy has continuously developed in Indonesia. The difference in the quality of manpower is the trigger for the sharp economic difference. Therefore, the government's policy is in need for the human resource development particularly for the community in the villages and traditional economic sectors. The perspective of multi commercial economy can be used as a study reference, for instance a study of the relationship between household-based plantation farming and agro-industry Company.

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Notes

Note1. Batik home industry, see Sariyatun. *Usaha Batik Masyarakat Tionghoa di Surakarta Tahun 1900 – 1930*. Postgraduate Program, Yogyakarta, 2001.

Note 2. See Susanto, SK Sewan. 1980. *Seni Kerajinan Batik Indonesia*. The Ministry of Industry of the Republic of Indonesia.

Note 3. For the glorious period of the batik village of Laweyan, see Soedarmono. *Mbok Mase. Pengusaha Batik di Laweyan Surakarta Abad 20*. Yayasan Warna-Warni Indonesia. Jakarta 2006.

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Note 4. The Dutch Indies Colonialism cut the support of Kraton Kasunan Surakarta to *Sarekat Islam*. See Goerge D. Larson. *Masa Menjelang Revolusi Kraton dan kehidupan Politik di Surakarta 1912 – 1942*. Gadjah Mada University Press. 1987. pp. 72-76.

Note 5. See Nurhadiantomo, 2004. *Konflik-konflik Sosial Pri dan Non-Pri dan Hukum Keadilan Sosial*. Muhammadiyah University Press. P.66 and pp. 72-76

Note 6. Static economic dualism and dichotomy. See JH Boeke & DH Burger. *Ekonomi Dualistik: Dialog antara Boeke dan Burger*. Jakarta. Bharatara, 1973.

Note 7. Michael Todaro. *Economics for Development World*. Loman, Essex. 1982 pp. 92-94.

Note 8. Gustav Ranis. The Dual Economy Framework Relevance and Development. Manila: Asian Development Review. No. 1 Vol. 2, ADB, 1984 pp.39-51.

Note 9. The hand-drawn batik industry can survive. See Siti IreneDwiningrum. *Strategi Kelangsungan Saudagar Batik di Daerah Istimewa Yogyakarta*. 1997. pp.5-7.

Note 10. Mario Rutten. 2003. Rural Capitalists in Asia. *A Comparative Analysis on India, Indonesia, and Malaysia*. Routledge Curzon, New York. pp. 22-24 and p 45.

Note 11. Emerson, Richard M. 1962. *Power Dependence Relationship*. *American Sociological Review*.

Note 12. See Lincoln, Y vonna, and Guba, 1985. *Naturalistic Inquiry*. Beverly Hill. Sage Publication.

Note 13. J Clyde Mitchell. *Social Networks in Urban Situations Analyses of Personal Relationships in Central African Towns*. Manchester University Press. 1969.

Note 14. Clifford Geertz. *The Interpretation of Culture*. Basic Book. 1977.

Matrix 1. Model of Multi Commercial Economy

Economic and Cultural Dimension	Model of Batik Juragan and Batik Saudagar	Model of Batik Artisan and Batik Bakul
1. Business Objective	Commercial	Commercial
2. Business Unit	Factory, Manufacture, Shop, and Art Gallery	Home industry, batik kiosk, and home-based batik craftsmanship
3. Product Type	Stamped batik and printed batik	Hand-drawn batik
4. Market Orientation	Domestic-Export Market	Local Market
5. Economic Intervention Orientation	Maximizing profits minimizing manufacturing cost	Avoiding risk and prioritizing safety
6. Economic Strategy	Building up capital for manufacturing development	Fulfilling consumption necessities so as to survive their lives
7. Economic Culture	a. oriented to manufacturing development b. able to differentiate the business importance from the household importance c. more counted on rational consideration than on moral consideration d. has specialized economic relationship e. individual-oriented	a. oriented to consumption necessity fulfillment b. unable to differentiate the business importance from the household importance c. more counted on moral consideration than on rational consideration d. unclear economic relationship e. collective-oriented

In-depth interview sources: juragan, saudagar, household-based batik craft artisans, batik bakul at batik villages of Laweyan and Kauman, Surakarta and batik craft industry of Pungsari village, Sragen from June – Desember 2006.