

Museum Batik of Yogyakarta and Inclusive Business

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Abstract

Batik has been inscribed by the UNESCO as one of the World Intangible Cultural Heritage in Humanity since 2 October 2009. Museum Batik of Yogyakarta (MBY) has been in existence since 1973, founded by the late Mr Hadi Nugroho and Mrs Dewi Sukaningsih in their private home as a nonprofit organization. It houses one of the biggest Batik collections in the country with more than 800 pieces of antique batiks with different styles and origins including Strait Chinese Batik (Batik Peranakan).

To sustain the museum existence and ensure continuation of its social activities, as well as to preserve and disseminate the proper batik process making, female second and third generations of the founder rely on the so called inclusive business. Curator, manager and educators as well as creative talents are recruited from the society, who are from and hence have direct access to Heritage Centre as well as Batik manufacturing Centre. The museum is well known among academicians and tourists from both domestic and international as a learning, resource and preservation centre.

To support local artists and to finance Museum social activities, MBY has a gallery that sells handmade Batik products. For this purpose, MBY applies inclusive approach in doing business through a very classical way by cooperating with “Pembatik” (female Batik artist).

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INTRODUCTION

Today, the business world is demanded to not only creating financial profit, but also to contributing to the welfare of the society, poverty alleviation, and community empowerment. In other words, companies should include poor and vulnerable people, such as those with disabilities and minority background, to their business process, be them as producers, employees, or consumers. This enhances equality among people and society, not only the poor but also those who are marginalized in terms of gender, geographical location, ethnicity, disability, and faith (Gerobin, 2016)¹.

The potential of poor or marginalized people must not be underestimated. There are the largest but the poorest socio-economic group that make up 2.7 billion people. However, live on less than \$2.50 a day. They are what we call The Bottom of the Pyramid. They could become the profitable consumer base (Prahalad, 2004)². They represent a substantial new market for goods and services, which in turn can improve their livelihood. This segment of the population also doubles as a significant pool of entrepreneurship, assets, talent, and productivity that can be leveraged for the supply of critical inputs, innovative distribution systems, and skilled labor (Asian Development Bank (ADB), 2017)³.

The purpose of this paper is to present the conference participants with information regarding inclusive business and its application in Museum Batik of Yogyakarta (MBY).

¹ Gerobin, Jeffrey. 2009. "Inclusive growth needs inclusive business". <http://www.eco-business.com/opinion/inclusive-growth-needs-inclusive-business/>

² Prahalad, C.K. (2004). "The Fortune at the Bottom of the Pyramid". Wharton School Publishing

³ Asian Development Bank. 2017. "Inclusive Business". www.adb.org

METHODOLOGY

This paper is written based on desk research and observation. By doing desk research, the author gathered and analyzed information in print or published digitally, particularly topics regarding inclusive business. The author also conducted some data collection, with regard to Museum Batik of Yogyakarta (MBY).

FINDINGS

What is an Inclusive Business?

World Business Council for Sustainable Development defines inclusive business as “a sustainable business that benefits low-income communities. It is a business initiative that, keeping its for-profit nature, contributes to poverty reduction through the inclusion of low-income communities in its value chain. In simple words, inclusive business is all about including the poor in the business process be it as producers, entrepreneurs or consumers”⁴. From this definitions, we can see that business goals such as maximizing profits and increasing shareholder values do not contradict the development goals, which include income equality and community environment.

There are some benefits that can be reaped from an inclusive business. For the companies, inclusive business will increase profits, resulted from lower cost and market expansion to the lower income communities. For the poor people, inclusive business provide opportunity to improve their standard of living, as well as bigger access to more goods and services)SNV & World Business Council for Sustainable Development, 2008)⁵.

What roles can low income communities play in an inclusive business? They can play roles as both customers and distributors (SNV & World Business Council for Sustainable Development, 2008)⁶. As customers, poor lower income communities can be provided with more quality products. As distributors, companies can make them business partners who provide raw materials, work-in-process products, and services which serve as inputs from productions. In

⁴ Business for Development. “*What is Inclusive Business?*”. Businessfordevelopment.org.

⁵ SNV and World Business Council for Sustainable Development (2008). “Inclusive Business: Profitable Business for Sustainable Development”

⁶ Ibid

other words, companies include poorer communities in their value chain. This strategy, in turn will create more entrepreneurs and enhance the entrepreneurial skills of lower income communities.

Managing an Inclusive Business

Like any other business or organization, an inclusive business can only be successful only if it is managed correctly. First, a business must have the understanding regarding the market it is serving⁷. Usually, low income communities, as a market segment, are measured related with their jobs, income, and education. However, we can observe this segment in a more in-depth growing society in terms of career and study. Alwitt and Donley (1996)⁸ divide the lower income segments into two categories: transitory and permanent segment. Despite their economic limitation, the transitory segment lives in a growing society in terms of career and income. This segment includes those who despite having low income, they have children with higher education and who starting building their career. These children often send money to their parents. We can easily find such phenomenon in a society who still strongly embraces family values and relationship.

Second, manage the supply chain. An inclusive business should buy their raw materials from local producers and distributors. For the business, this policy will create benefits, such as security supply, quality control of raw materials, lower cost, access to local knowledge and network, and better relation with the government. For the local producers and distributors, they are granted guaranteed market, training and technical; assistance, knowledge and technology transfer, access to financing, and entrepreneurial opportunity.

Third, from the marketing side, company needs to adopt their products and price to the specific needs of the society. In addition, they need to create an effective promotional campaign, as well as trust and brand identity. Being an inclusive business also provide chances to spur innovation.

⁷ Golja, Tea and Samanta Pozega. "Inclusive Business-What is it all about?Managing Inclusive Companies". International Review of Management and Marketing. Vol 2, No. 1, 2012, pp. 22-24

⁸ Alwitt, Linda F. and Thomas D. Donley(1996), The Low-Income Consumer, Adjusting the Balance of Exchange, Thousand Oaks: CA. Sage

Fourth is partnership. Inclusive business must form partnership with communities, governments, civil societies, and even competitors. The aim of these partnerships is to share assets, capabilities, and knowledge. The companies could also engage in a dialogue with the government.

Inclusive Business Case Study: Museum Batik of Yogyakarta

Museum Batik of Yogyakarta (MBY) has been in existence since 1973, founded by the late Mr Hadi Nugroho and Mrs Dewi Sukaningsih in their private home as a nonprofit organization⁹. It houses one of the biggest Batik collections in the country with more than 800 pieces of antique batiks with different styles and origins including Strait Chinese Batik (Batik Peranakan). MBY has the mission to preserve techniques and knowledge regarding batik. The development of batik printing in 1960's concerned Hadi. At that time, Batik was started to be produced with large quantity, which threatened the existence of traditional batik process.

In addition to its batik collections, MBY also develops a clinic for batik Maintenance and Conservation, which records the milestones of batik process and its various motives. These various motives include the one comes from Central Java and Yogyakarta, Solo, Pasisiran (Semarang, Demak, Pekalongan and Kedungwuni, Cirebon and Lasem), Madura, Bayat-Klaten, Kebumen, Kulon Progo, Imogiri, and other regions. History has revealed that batik motives develop from time to time. A true batik contains a reflective philosophy in one's daily life. Therefore, regardless of the advancement of textile technology, batik culture will always remain. Creating any batik motives requires skills and persistence.

How does MBY manage its inclusive business? First, it has to have the understanding regarding the market it serves. MBY has attracted many visitors, both domestic and international, who want to gain more knowledge regarding Indonesia's traditional batik, particularly the Javanese one. Also, MBY welcomes schoolchildren from different background as well as scholar, providing them with knowledge of genuine traditional batik. MBY also uses this opportunity to instill the children's sense of pride regarding traditional batik.

⁹ <https://www.museumbatik.com/>

To finance Museum social activities, MBY has a gallery that sells handmade Batik products. These handmade products will ensure the continuation of the traditional and artistic batik process. The production process of Batik is very complex that we can see as follow. The first step is the Pattern development (pencilled-in drawing). The first wax is applied over the pencilled-in outline of the pattern. Almost always the original cloth is white or beige. Second, the first dye bath. At this step, the cloth is dyed in the first dye bath. In this case the first dye bath is indigo blue. The area of the cloth where the wax was applied in Step 1 will remain white. Third, Second application of wax is applied. In this case it is a dark brown colour. Another wax is used to cover larger areas of cloth. The darker colour helps to differentiate it from the first wax applied. Any parts that are covered with this wax application will remain the indigo colour. Fourth, the cloth is dyed in the second dye bath. In this case it is a navy blue. Any areas that are not covered by wax will become dark blue. Fifth, All the wax that has been applied thus far is removed. This is done by heating the wax and scraping it off and also by applying hot water and sponging off the remaining wax. Sixth, Wax is applied to the area of the fabric that the artist wishes to remain the indigo blue colour. Seventh, Wax is applied to the area of the fabric that the artist wishes to remain white. Eighth, the fabric is submerged in the final dye bath. In this case it is brown. Any areas of the cloth that have not been covered with wax will become brown. And ninth, the finished cloth after all of the wax has been removed.

To create these handmade products, MBY cooperates with the local batik artists, experts and workers. By doing this, MBY empowers these small holders. Their skills and knowledge can be preserved, while at the same time they will earn their income by including low income communities in its business process.

To sustain the museum existence and ensure continuation of its social activities, MBY employs Curator, manager and educators as well as creative talents who are recruited from the society, live in the traditional creative process and hence have direct access to Heritage Centre. Curator, manager, and educator are important part of a museum. For example, a curator is responsible for preserving institution's collections and involved with the interpretation of heritage material. By recruiting local people for an important position, once again it proves that MBY applies an inclusive business. To expand its inclusive business and maintain its sustainability, MBY operates a gallery for Fine Batik.

CONCLUSION

Inclusive business is aimed at empowering poorer and more vulnerable local communities, reducing poverty, and create profit at the same time. To manage it, a business needs to understand the market, manage its supply chain effectively, create effecting marketing strategy, and form a partnership.

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