

Out of The Economic Crises: Changes in East Java Gold Jewelry Industry

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Abstract

Sidomukti Village, Kebomas District, Gresik Regency, East Java has been known as one of the centers of gold jewelry production which is run traditionally based on the Micro Small Medium Enterprise (MSME) industry. This study aims to describe how changes in the industrial structure were initiated by the gold jewelry craftsmen in Sidomukti as part of the adaptation strategy in facing the economic crisis. The crisis were the decline in the scale of the gold jewelry industry and income due to fluctuations in gold prices since the 1997/1998 monetary crisis. In calculation, the formula applied is the price of gold in the market depends on the exchange rate of the dollar against the rupiah. The lower and more stable the gold price in the market, the more conducive the gold jewelry industry climate. However, since the 1997/1998 monetary crisis, the price of gold in the market tends to rise and is unstable. Using a qualitative research method with a descriptive approach, this study explained the adaptation strategies carried out by the craftsmen in dealing with the crisis. The craftsmen change the structure of the putting out industry that has been going on so far, by modifying the production chain that previously pivoted to the skipper to be more flexible. Craftsmen no longer depend on the production cycle on orders from the skipper, but independently try to produce and market them independently. This study elaborates issues of MSME-based industrial sector resilience and adaptiveness from economic turbulence.

Keywords: adaptation strategy, gold jewelry industry, industrial structure, putting out



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I. INTRODUCTION

The livelihood of most residents of Sidomukti Village, Gresik Regency, East Java, is the business of processing gold into jewelry products. At a time when the stability of the rupiah exchange rate against the United States (US) dollar was well maintained, the wheels of the gold jewelry industry were also running well. However, conditions changed drastically when Indonesia was hit by the economic crisis in 1997/1998. The monetary variable that triggered the hit in the Sidomukti gold jewelry industry was the significant correction in the rupiah exchange rate against the US dollar. Because the shift in gold prices is determined by fluctuations in the rupiah and US dollar exchange rates, logically if prices are stable, the gold jewelry market condition is also stable.¹ In accordance with the law of supply and demand, the sellers who are flooded with orders will be linear with the craftsmen who are full of orders. In essence, the economic wheel of the gold jewelry industry in Sidomukti before economic crisis was so fast and well managed. Consequently, the welfare level of the gold jewelry craftsmen in Sidomukti is relatively guaranteed.²

As the impact of the crisis after 1997/1998, the gold jewelry industry condition can be confirmed from the complaints of the people of Sidomukti which were taken from the Kompas daily coverage (13/03/2006) about the MSME gold jewelry in Sidomukti, Kebomas Gresik. The report explained that as a result of the high price of gold, a number of craftsmen at the gold craft center in the Tomb of Sunan Giri Kebomas, Gresik, had no orders. Some craftsmen have closed their businesses due to lack of demand. Many have switched to other jobs because the business is less profitable. In the end, many stopped producing, especially when there were no orders. If there were orders, the craftsmen would start working again.

Apparently, the situation is still ongoing until 2019. As research conducted by Fuadiyah,³ fluctuations in gold prices affect the profitability of gold jewelry craftsmen. Fuadiyah results in 2019 is in line with the results of Kompas daily coverage in 2006. This means that the downward trend in the industry has continued from 2006 to 2019. This also proves that uncontrolled fluctuations in gold prices in the market have bad consequences for the jewelry industry ecosystem MSME-based gold industry. It reflects the portrait of an industrial community which is actually still traditional in terms of its

¹ Ikka Virganita Nurcahyani, "Analisis Metode Penaksiran Emas Pada Produk Gadai Emas di Bank Syariah [Analysis of Gold Appraisal Method on Gold Pawn Products in Islamic Banks]" (Undergraduate, Purwokerto, IAIN Purwokerto, 2017).

² Mohammad Afifuddin, "Strategi Adaptasi Perajin Perhiasan Emas (Studi Deskriptif di Kelurahan Sidomukti Kecamatan Kebomas Kabupaten Gresik)[Adaptation Strategy of Gold Jewelry Craftsmen (Descriptive Study in Sidomukti Village, Kebomas District, Gresik Regency)]" (Undergraduate, University of Jember, 2009).

³ Nashirotul Fuadiyah, "Analisis pengaruh Fluktuasi harga Emas dan kualitas produk terhadap Profitabilitas Home Industry perhiasan Emas di Desa Sendangduwur Kecamatan Paciran Kabupaten Lamongan [Analysis of the Effect of Gold Price Fluctuations and Product Quality on the Probability of Home Gold Jewelry Industry in Sendangduwur Village, Paciran District, Lamongan Regency]" (undergraduate, Surabaya, UIN Sunan Ampel Surabaya, 2019).

production system but has been forced to fight with the tremendous fluctuations of a foreign exchange trading system at the global market level. Therefore, the foundation of the gold jewelry industry is very fragile against the vibrations of the global financial market instability.⁴

In other words, the equilibrium of the gold jewelry industry in Sidomukti is closely related to national and global monetary issues. Unfortunately, like the big industrial model in the cocoon of capitalism, the number of craftsmen is much more than the owners of capital. Therefore, as a domino effect, the unemployment rate will increase if there is an economic crisis like what happened recently. It is related to their inability in other fields except as jewelry craftsmen.

The relevance of the destabilizing condition of the foreign exchange rate to the unfavorable climate of the gold jewelry industry lies in the irregular circulation of production. Under normal conditions, skipper (owner of capital) dares to open the production on a large scale. However, when facing a time of crisis, the economic principle which reads, "expend as little capital as possible to achieve maximum profit" is in effect. In other words, the skippers are afraid that if the price of gold always fluctuates quickly and erratically, they will lose. Because people are predicted to be reluctant to buy gold jewelry if the price is not normal. Therefore, the skipper will prioritize the position of securing assets (saving) while waiting for conducive market conditions.

This means that the profession of gold jewelry craftsmen, which is the main support for the Sidomukti people's livelihood, changed drastically. Doing business in the jewelry industry sector for the people of Sidomukti is no longer promising as their only livelihood. Even so, not all craftsmen leave the gold jewelry industry. There are still many craftsmen who try to survive by making various changes. For the sake of survival, the gold jewelry craftsmen began to think of alternatives to be able to continue to work and earn income without leaving the circle of the gold jewelry industry. This spirit of survival from a deteriorating condition is often referred to as adaptation.⁵

From the data, it turns out that the patterns of behavior and action developed by the gold jewelry craftsmen in Sidomukti seem to reflect the adaptation strategy scheme developed by the community itself. Since the 1997/1998 monetary crisis until now, there have been various events surrounding the tactics of gold jewelry craftsmen during the transition period of the industrial system as well as its production system. It greatly influenced the craftsmen's cultural changes production, as well as reforms their working patterns. One of the things that can be seen is the change in the industrial production system where the craftsmen try to survive from crisis situation. Starting from the background, this article seeks to explain how the industrial structure changes in the production process carried out by gold jewelry craftsmen in Sidomukti Village, Kebomas

⁴ Afifuddin, "Strategi Adaptasi Perajin Perhiasan Emas (Studi Deskriptif di Kelurahan Sidomukti Kecamatan Kebomas Kabupaten Gresik)[Adaptation Strategy of Gold Jewelry Craftsmen (Descriptive Study in Sidomukti Village, Kebomas District, Gresik Regency)]."

⁵ Heddy Shri Ahimsaputra, *Ekonomi moral, rasional, dan politik dalam industri kecil di Jawa: esei-esei antropologi ekonomi [Moral, Rational, and Political Economy in Small Industries in Java]* (Yogyakarta: Kepel Press, 2003).

District, Gresik Regency. The explanation of the changes in the industrial structure is part of the resilience or adaptation strategy carried out by the craftsmen in facing the crisis.

II. LITERATURE REVIEW

A. Overview of Industrial Society

As stated by Yuswadi,⁶ industrial society is the whole of human relations in a broad sense, which prioritizes skills to fulfill their life needs effectively and efficiently. This means that even the existence of a simple community can be categorized as part of an industrial society, as long as the community concerned has used tools to fulfill their needs. In subsequent developments, most experts often refer to the situation and conditions of the production process at a certain scale so that various categories of industrial groupings emerge, starting from the simplest, namely small industries, family industries, to modern industries. This is solely to clarify the differences in the types of industries which in fact evolutionarily affect the growth of civilized society.

Then something more important than industrial society itself is the formation of an industrial mentality (human industrial) as an excess of the industrialization process in an industrial society which will gradually pass through each industrial level cluster. As explained by Yuswadi,⁷ industrialization is a process to make society industrial (skilled, intelligent, agile, innovative, active, hard working, resilient and rational people). As a process, it is difficult to determine whether a society has reached the ideal stage of an industrial society, the size of its development is very relative and depends on the social situation. Each society will determine its own stage of development.

B. Gold Jewelry Industry Based on Micro, Small and Medium Enterprises (MSMEs).

According to the Bureau of Statistics,⁸ it is called a small business if it has the criteria for the number of employees of five to nineteen people; if less than five employees are classified as household businesses, and medium-sized businesses consist of 20-99 employees. According to Soejoedono in Cahyono,⁹ small businesses or home industries have the following characteristics.

1. Very simple business structure.
2. No redundant staff.
3. Slack division of labor.
4. Has a short hierarchy.
5. Activities are less formal, and make little use of the planning process.

⁶ Hary Yuswadi, *Teori Dasar Sosiologi Industri: Benang Merah Proses Industrialisasi di Indonesia [Basic Theory of Industrial Sociology: The Common Thread of Industrialization Process in Indonesia]* (Jawa timur: Kompyawisda, 2007).

⁷ Yuswadi.

⁸ Bambang Tri Cahyono, *Manajemen Industri Kecil [Small Industry Management]* (Yogyakarta: Liberty, 2005), <https://inlislite.kalselprov.go.id/opac/detail-opac?id=11782>.

⁹ Cahyono.

6. Lack of distinction between personal assets and company assets.

According to Law no. 9/1995 in Cahyono,¹⁰ small businesses are small-scale people's economic activities in meeting the criteria for net worth or annual sales results such as ownership as stipulated in the law. Small business which includes formal small business and traditional small business. Formal small businesses are various industries that have not been registered, have not been registered, and have not been legally incorporated, including smallholders, home industries, hawkers, traveling traders, street vendors, and scavengers. Meanwhile, traditional small businesses are businesses that use simple production tools that have been used for generations, and/or related to arts and culture. Based on this description, the profile of the gold jewelry industry in Sidomukti is classified as MSMEs because the capital scale, number of workers and equipment used are still at the MSME level. Even though the commodity produced is precious metal in the form of gold, the developing industrial ecosystem is still traditional and driven on a micro, small and medium scale.

C. Overview of the Craftsman Group.

According to Poerwadarminta in Cahyono,¹¹ the craftsman group is a closed group to limit competition and keep the secrets and skills that he has by his own environment. In its development, there are known areas with certain communities, who have the skills of an art craft with distinctive signs. This peculiarity sometimes extends, not limited to a family, tribe, clan, city, area, but sometimes an artistic skill is owned by a nation. It is in this sphere of artisans that steps take place to shape markets, communicate, improve production, and also compete in different categories. Whereas in general, craft techniques continue to increase along with experience, and cannot or are determined by science,

Meanwhile, according to Newman in Cahyono,¹² craftsmen are those who have special skills obtained from the transmission of their ancestors or acquired through a process of socialization from their cultural environment. A craftsman is usually a natural craftsman, not a craftsman who acquires skills through special education. Then again quoting Sulaiman's opinion in Cahyono,¹³ a craftsman is someone who has the skills or skills in the form of an art or proficiency in using tools, but work involving skills in mastering techniques and tools does not require a creation (creation). renewal (innovation), or authenticity (originality).

The description of the gold jewelry craft community in Sidomukti is also in accordance with the conceptual description above. Because the process of transferring skills from one generation to the next is done traditionally and from generation to generation. Skills formed as craftsmen are obtained by a very communal process and there is no standardization of expertise as required in modern industry.

¹⁰ Cahyono.

¹¹ Cahyono.

¹² Cahyono.

¹³ Cahyono.

D. Adaptation Strategy Theory

According to Bannet in Ahimshaputra,¹⁴ adaptation is not just a question of how to get food from a particular area, but also includes the problem of transforming local resources by following models and standards, general human consumption standards, and costs and prices or modes of production at the national level. Here the notion of adaptation has become very broad, it can even be said to cover almost all patterns of human behavior in everyday life. Furthermore, Ahimsaputra¹⁵ distinguishes between adaptive behavior (adaptive behavior) with adaptive strategies (adaptive tactics) and adaptive processes (adaptive processes). This distinction is indeed a must, because in studying the problem of adaptation, what is initially visible and easy to observe is human behavior, which is conceptually different from tactics and processes. If the adaptive tactics are at a level that is realized by those who carry it out, or in other words the actors can formulate or state the tactics. This is different from adaptive processes, which are statements, formulations, from observers or researchers.¹⁶

For Ahimshaputra,¹⁷ only behavior related to achieving goals or solving problems can be said to be adaptive. More specifically, it is behavior to overcome difficult obstacles which include, among others, the limitation or scarcity of resources to achieve certain goals or realize desired expectations. Meanwhile, whether or not a behavior is adaptive, it should not be interpreted to include all elements of life, but only those that are clearly related to the continuity of economic life. When we examine the process of adaptation of a society in a particular geographic area, what it first sees is nothing but adaptive behavior or coping behaviour, and this includes making various decisions, or more specifically choosing among alternatives.¹⁸ Try to do a deeper study, Ahimshaputra¹⁹ says, simply adaptation strategies can be defined as patterns of various efforts planned by humans to be able to meet the minimum requirements needed and to solve the problems they face there.

III. METHODOLOGY

This study uses a qualitative method with a descriptive approach. Faisal²⁰ states that descriptive research is research that describes a number of symptoms or events related to the problem or unit being studied. This type of research does not question the relationship between existing symptoms or events, and does not intend to draw

¹⁴ Ahimsaputra, *Ekonomi moral, rasional, dan politik dalam industri kecil di Jawa: esei-esei antropologi ekonomi* [Moral, Rational, and Political Economy in Small Industries in Java].

¹⁵ Ahimsaputra.

¹⁶ Ahimsaputra.

¹⁷ Ahimsaputra.

¹⁸ Ahimsaputra.

¹⁹ Ahimsaputra.

²⁰ Sanapiah Faisal, *Penelitian kualitatif: dasar-dasar dan aplikasi* [Qualitative Research, Basis and Applications] (Malang: YA3, 1990).

generalizations that explain symptoms or events. The determination of the research location is adjusted to the research conducted and the ability of the researcher to reach out to informants who are expected to be able to provide answers to the problems to be studied. Therefore, the author took the research location in Sidomukti Village, Kebomas District, Gresik Regency. In this case, Sidomukti Village is already well-known in the Gresik Regency area as a center for the gold jewelry industry. Thus the number of people who work as gold jewelry craftsmen are also many and deserve to be used as informants in this study. This research was conducted in 2019 which is the development of a similar research that the author has conducted in the same location in 2009.

Determination of informants in this study using purposive sampling technique, namely the determination of informants is done intentionally. Where, the selection of a group of subjects is based on certain characteristics or traits that are considered to be related to the problem to be answered.²¹ Information mining starts from the main or main informants to get the information needed in accordance with the discussion of this research. From the main informant, then it is supported by information from additional informants. In its implementation, researchers conducted data mining to 9 main informants and 6 additional informants.

IV. PRODUCTION SYSTEM IN THE GOLD JEWELRY INDUSTRY IN SIDOMUKTI

As explained by Dharmawan,²² every industrial society is always followed by the establishment of a production system. Even according to Yuswadi,²³ an industrial system or a production system will produce a social structure in it. In the context of the gold jewelry craft industry that is developing in the Sidomukti community, Gresik Regency, the production system that takes place is the putting out production system. Yuswadi²⁴ explains, in the putting out production system a social structure is created from the putting out system consisting of, 1) merchants, as owners of capital and raw materials as well as all production of finished goods produced by craftsmen; 2) workers, who have their own equipment/tools, are paid based on the amount of production they produce based on the raw materials they receive from the merchants. The chart below shows the production scheme of the putting out system in relation to its production relationship.

Chart 1.1 Putting Out Structure²⁵

<p>Capital Owner (Skipper)</p>

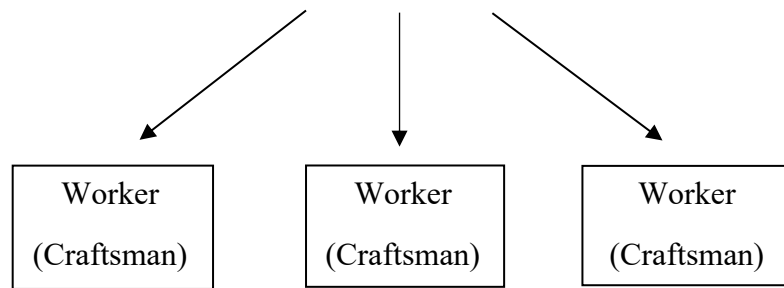
²¹ Sutrisno Hadi, *Metodologi Research [Research Methodology]* (Yogyakarta: Andi Offset, 1989).

²² A. Dharmawan, *Aspek-Aspek Dalam Sosiologi Industri [Aspects in Industrial Sociology]* (Bandung: Bina Cipta, 2000).

²³ Yuswadi, *Teori Dasar Sosiologi Industri: Benang Merah Proses Industrialisasi di Indonesia [Basic Theory of Industrial Sociology: The Common Thread of Industrialization Process in Indonesia]*.

²⁴ Yuswadi.

²⁵ Yuswadi.



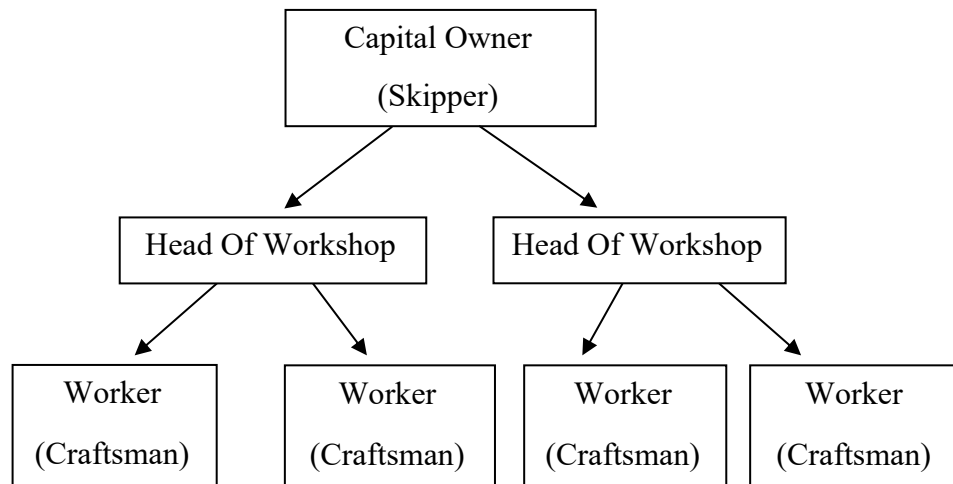
But factually, in the daily process, the theoretical guide to the putting out production system and all the social relations built into it have undergone a few "modifications" in the hands of these industry activists. For example, among artisans there is also the term "little bosses". The researcher deliberately puts the term in quotation marks with the intention that it is just a term to facilitate discussion. Because the "little bosses" function no more than foreman/head of carpentry who incidentally is also a worker/subordinate of the skipper. However, they also double as the owner and manager of the workshop or jewelry production site.

This means that the mandor or the head of the workshop are not always people who have large capital and deserve to be classified among the skippers who control the rotation of the wheels of this industry. They are technicians or production experts with the ability to process gold into jewelry that is above average. Each of the workshop heads is widely known as a competent and proficient person in producing various models of gold jewelry products with their own characteristics. The more varied the models created, the greater the potential to be liked by buyers. This logic is what makes the skippers have special subscriptions that often get large orders from the skippers.

Although to become a workshop head must also be supported by the availability of a fairly large capital. However, this capital is not tangible in the form of gold raw materials, but is capital to provide various facilities and work tools that can support their performance in creating a variety of attractive and quality gold jewelry models. With the combination of these two factors, they become the head of the workshop.

V. SOCIAL STRUCTURE IN THE GOLD JEWELRY INDUSTRY IN SIDOMUKTI VILLAGE

Referring to the production system that takes place in the gold jewelry industry in Sidomukti, the production system in the gold jewelry industry in Sidomukti also produces its own social structure. Within the structure of this production system, three layers of "classes" will be created. First, the big skipper (boss). Second, the "little bosses" or workshop heads, and third, the working class. The following will explain in more detail the position and role of each class in the social structure of the gold jewelry crafting community in Sidomukti, along with a chart of the putting out production system in the style of the gold jewelry crafting community in Sidomukti.

1.2 Putting Out Structure in Sidomukti²⁶

In the case, one workshop head usually supervises more than three workers (craftsmen). However, there is no common standard for each workshop head regarding the number of workers they have. Initially, the putting out production system only consisted of two hierarchies, but when used to read the context of the gold jewellery crafter community in Sidomukti Village, it will turn into three layers. The following will explain the position of each component in the social structure of the gold jewellery crafting community in Sidomukti.

A.Owner's Position in Gold Jewelry Production System

The key to the running of this industry lies in the skippers (bosses) who have abundant capital. Capital is usually measured by how much a person has gold in raw form (gold bullion). These skippers are people who have full control over the existence of the workshop heads and craftsmen. If these skippers can routinely give work to the craftsmen, then the wheels of industry will run smoothly. However, if the routine is hampered, the industry will also crash.

Meanwhile, the position of the masters in the production system of the gold jewellery industry is as the owner of capital and is at the end of the pyramid scheme of the production system in a gold jewellery industry. These skippers are people who have large reserves of gold that will be used as raw material for making jewellery. So that their position is very central as a determinant of the wheels of this industry will run or not. Thus, whether the craftsmen in Sidomukti will exist or not, it depends on the owners of the capital.

Specifically, it was the skipper who gave gold as a raw material to the craftsmen to be worked into various models of jewellery as desired by the skipper. In the perspective of the craftsmen, these conditions make them try to build loyalty with their masters in various ways. Including building kinship relations with the skipper. Meanwhile, according to the skipper's view, in this production scheme in the gold jewellery industry,

²⁶ Yuswadi.

the skipper is in full control. Because the only order supply comes only from the skipper. But the skippers still refuse to say it is a monopoly. Because for them the important thing is to try to be fair in sharing sustenance by considering the quality of the resulting production and the honesty of the attitude of the craftsmen.

B. Head of Workshop's Position in Gold Jewelry Production System

It can be said that the position of the head of the workshop in the gold jewelry production system in Sidomukti is the intermediary from the skipper to the workers when a jewelry order transaction occurs. But that does not mean negating the function of the head of the workshop who is also a person who is technically involved in the production process. Because even though they have become the head of the workshop, they still participate in working with other craftsmen.

In other words, a workshop head is actually a worker/craftsman too. Because after all, they cannot position themselves like a skipper who determines the circulation of production. However, the position of the head of the workshop is slightly more privileged than the ordinary craftsmen in this structure because of their expertise in making jewelry that is above average, and also the capital they have in the form of work equipment and workplaces (workshop for processing gold into jewelry). For example, Pak Ridwan is the head of the workshop. In it, his younger siblings such as Mukhlis, Syaifuddin, Aziz and Abidin also worked. When Pak Ridwan received orders from H. Nur or H. Imam in large quantities, while Pak Ridwan at that time felt unable to complete them himself, Pak Ridwan usually asked his younger brothers for help to work on the orders from the two masters. However, if Mr. Ridwan feels he can solve it himself, Mr. Ridwan will not ask anyone for help.

So it can be concluded, by becoming a workshop head, he has wider access to opportunities to get orders (jobs). This is because each head of the workshop has advantages over the status of ordinary craftsmen. So the head of the workshop is one of the qualifications of positions in the social structure in the gold jewelry industry system in Sidomukti which makes it hierarchically different from a skipper and also an ordinary craftsman.

C. The Position of the Craftsmen in the Gold Jewellery Production System

In the structure of this production system, artisans occupy the lowest layer. Its position is so dependent on the layer above it, namely the skipper. The number of craftsmen in Sidomukti is the majority, because the skills of the local people are only gold jewelry craftsmen. Meanwhile, if they have to go to a higher class by becoming a skipper, it is also not an easy process. Because the availability of large capital is an absolute requirement for someone in this industrial circle to be called a skipper.

So these craftsmen are the main victims if the gold jewelry industry experiences a negative growth phase. As the report in Jawa Pos (13/12/2008) stated that, "...just like a large industry in the cocoon of capitalism, the number of craftsmen is much larger. As a result, the unemployment rate will swell if at any time the industry collapses." The news

quote intends to illustrate that the pyramid structure in a scheme of the social structure of industrial society will place the workers in the lowest layer. So if one day there is a shock in the industrial system, which will linearly affect the stability of the industry, then the first victims are the workers. It seems that this is what is currently being experienced by the gold jewelry industry in Sidomukti. When a crisis occurs, many groups of craftsmen lose their jobs.

VI. CRAFTSMEN ADAPTATION STRATEGY IN THE GOLD JEWELRY INDUSTRY STRUCTURE IN SIDOMUKTI

As explained earlier, the gold jewelry industry in Sidomukti faces challenges in the form of an industrial crisis caused by the dynamics of the rupiah exchange rate against the US dollar which has an impact on the instability of gold prices in the market. Related to this, here will be explained how the adaptation strategy carried out by these industry players to survive. As an adaptation strategy, the choice of actions taken by the craftsmen to survive (survival of life) is still not outside the circle of the gold jewelry industry. This seems to be the tendency of everyone who is in the business of a small business with a putting out production model who is experiencing times of downturn (crisis) in their business. This can happen because the craftsmen do not have alternative abilities other than their expertise in one particular field of work. In this case, the gold jewelry craftsmen in Sidomukti have relatively no skills beyond their skills in making jewelry from gold. So it is not surprising that many of the craftsmen are still struggling with the wheels of the gold jewelry industry, although in a slightly different form, or at least will undergo many adjustments.

In this regard, there was a pattern of adaptation actions carried out by jewelry craftsmen in Sidomukti when their business began to decline. It was a change in the industrial structure which was originally based on putting out into a more egalitarian industrial structure by removing the hierarchies in the social structure that grew in the gold jewelery craft industry community. As explained above, in the industrial structure of the gold jewelry craftsman community in Sidomukti, the craftsmen are very dependent on the skipper. However, after the crisis occurred in the industry, the turnover of the craftsmen fell because the production cycle was disrupted as a consequence of the choice of the skippers to hold back the circulation of their capital. In that condition, the craftsmen try to adapt to the crisis situation.

One of the strategies developed by the craftsmen is to cut the hierarchical structure of the putting out industry that previously developed in Sidomukti. In practice, the craftsmen are no longer dependent on orders/jobs that come from the skipper. With all the resources they have, the craftsmen try to independently produce several types of gold jewelry. In the custom of the jewelry crafting community in Sidomukti, the results they get from working for so long are not only stored in cash, but they are also converted into gold. According to the craftsmen, saving in the form of gold is more prospective than saving cash. Because the selling price of gold is predicted to continue to rise in the future. Because of that, when faced with a crisis situation, many craftsmen choose to issue their

gold assets to be used as capital (raw materials) to produce gold jewelry. That way they do not depend on the skipper.

Although, of course the quantity of products produced will not be as much as the quantity of products ordered by the skipper. Given the capital capacity owned by the skipper and the craftsman class, it is very much different. Therefore, not a few of these craftsmen choose to cooperate in the production process so that the quantity of products produced can be more and more varied. That way the wheels of industry are turning again even though the craftsmen take greater risks. If initially the business risk is borne by the skipper because the distribution (sales) stage is the responsibility of the skipper,

In this context, the stages of product promotion and distribution are not an easy thing for craftsmen. Because so far the distribution chain and sales network on a large scale have been dominated by skippers. Thus, the craftsmen are forced to learn quickly in understanding the dynamics of the gold jewelry market. Including being required to quickly adapt to the various dynamics that occur in the fierce competition in the gold jewelry market. Because they are facing not only big bosses, but also distributors of imported gold jewelry from China which are produced using sophisticated and modern machines.

As one of the strategies, the craftsmen are targeting small gold shops in markets in sub-districts in various districts/cities in East Java. The goal is not to clash with the market segmentation of the big bosses, who mostly target big jewelry stores in the city center. Periodically, they go to these shops to market the jewelry products they produce. This is compatible as described by Pisor and Jones²⁷ that adaptation as a human responsive behavior to environmental changes that occur. This responsive behavior allows them to organize certain systems for their actions or behavior, so that they can adapt to existing situations and conditions.²⁸

VII. CONCLUSION

The gold jewelry industry in Sidomukti uses a putting out industry structure consisting of the skipper as the owner of capital who occupies the top of the production chain. Below him are workers with the status of head of the workshop. Its function is as an intermediary between skipper and craftsmen in the production chain. While those who occupy the lowest position are the craftsmen. When there is no crisis in the industry, the production chain runs smoothly. However, when there was monetary crisis or the exchange rate instability of the rupiah against the US dollar, the craftsmen, who were the lower class in the social structure of the gold jewelry industry community, no longer

²⁷ Anne C. Pisor dan James H. Jones, "Human Adaptation to Climate Change: An Introduction to the Special Issue," *American Journal of Human Biology* 33, no. 4 (2021): e23530, <https://doi.org/10.1002/ajhb.23530>.

²⁸ Romi Aqmal, "Proses Adaptasi Buruh Nelayan Kelong Apung di Musim Paceklik Desa Pengudang Kecamatan Teluk Sebung Kabupaten Bintan [Adaptation of Floating Kelong Fishermen in the Famine Season of Pengudang Village, Bintan Regency]," *Jurnal Masyarakat Maritim* 4, no. 1 (26 Oktober 2020): 37–51.

routinely produced gold jewelry. The situation caused by the cut off access to the means of production that fully controlled by the skipper.

For the skipper, this situation may not be too much of a problem. Meanwhile for the craftsmen, the cessation of orders to produce jewelry from the skipper means the death knell for their livelihood. Finally, for the sake of sustainability, the gold jewelry craftsmen in Sidomukti began to make patterns and adaptation actions to respond to these unfavorable conditions. However, because these craftsmen do not have any expertise except in the field of producing gold jewelry, they cannot completely get out of the circle of the gold jewelry industry. The patterns and adaptation actions are also still related to the world of the gold jewelry industry. The craftsmen broke the chain of the putting out industry structure as adaptation strategy to survive their livelihood. The craftsmen decided to produce independently and market their products independently as well, without depending on the capital network and distribution network controlled by the skipper.

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None

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