

# Institutional Model and Financial Management of Karawo Artist Based on Local Wisdom Values of Gorontalo Society

Niswatin  
State University of Gorontalo  
niswatin@ung.ac.id

Hanisah Hanafi  
State University of Gorontalo

Sahmin Noholo  
State University of Gorontalo

**Abstract.** This study was aimed to offer a concept of institutional and financial management of Karawo artist based on local wisdom values of Gorontalo society. It was conducted by using a qualitative method with a Focus Group Discussion approach that involved academics, sociologist, humanist, local government, Bank Indonesia, and Karawo artist. Data validity was obtained through available references. Moreover, the technique of data analysis used several steps, including data reduction, data presentation, and conclusion. Regarding the result of the study, it was found that the design of the institutional model and financial management of karawo artist based on the value of *huyula* (mutual assistance), *dulohupa* (discussion), and *mo'odelo* (responsibility/honesty) are in "Gorontalo-Karawo ethno cooperatives" form.

**Keywords:** Karawo, gorontalo, ethno cooperation

## INTRODUCTION

The study about Karawo has attracted much attention from intellectuals. This interest is based on empirical evidence that Karawo contributes to providing economic added value to the community and becomes Gorontalo brand image. Moreover, the study about Karawo can be reviewed from different perspectives such as art, economic, socio-culture or other sciences.

In terms of art perspective, Karawo is a traditional embroidery product from Gorontalo-Indonesia community, which has its own uniqueness [1], [2], [3]. In the making process, Karawo is more complex than other fabric embroideries [1]. Karawo needs at least three artists who have different roles; the first artist is the image ornament designer, the second artist does the slicing and pulling the thread on fabric, the third artist does the embroidery. The ornament design making requires five stages that an artist has to undergo. The complexity in the making demands precision, patience, perseverance, and high creativity since the entire making process is done without engine technology assistance [4], [5]. In terms of product, Karawo has a uniqueness and high aesthetic value [3]. To improve the uniqueness and aesthetic value, Karawo can be collaborated with other embroidery products, for example, in the coloring

process [6]. In terms of economic perspective, Karawo is rated as an art product that can be commercialized to domestic up to international market; therefore it can improve Gorontalone community income, especially the artists [7], [4], [8]. The existence of Karawo as a high economic added-value product is appointed as the superior product of Gorontalo, which is always developed by the local government [7]. Different kinds of programs are held by the local government, higher education institutions and other stakeholders to improve Karawo product quality and quantity in order to increase the sales value in the market, among others: training for the artists, capital assistance, marketing assistance and promotion program through annual Karawo festival [7], [9].

Other than art and economic perspective, Karawo can also be studied from a social perspective. Through the use of social analysis, Karawo is not merely viewed as a cultural product, but also law, religion, and institutional. When this analysis is used to study Karawo, the individual and group who involve in the making and development have their own uniqueness in their social life. In the social perspective, Karawo as a cultural product has experienced a shift; from the work of art that shifts into a commercial product. The shifting influences the construction or integration of cultural values into Karawo product as an effort of preservation of cultural heritage [10], [11], legal protection need for the product [12], integration of religious values in individual interaction [5], and new institutional growth [7], [4], [9].

The existence of Karawo is highly determined by the artists as human capital in the development process [4], [5]. Karawo as cultural capital was born from the interaction of women as artists with the largest population [4]. The obstacles encountered by the artists in the preservation and development process are a limitation of capital, skill, knowledge, and experience. These limitations urge the artists to interact with other parties which lead to the birth of formal and non-formal institutional form, either it is formed intentionally or unintentionally [7], [9]. The institution is emphasized as rules in a transaction of the members, which has values of a typical social life [13]. There are four institutional model and financial management of Karawo artists in Gorontalo; center, cooperatives, the patronage system, and single system [9]. Even though Karawo has become

a brand image and superior product, it has no institution which manages the artists in an organization/building.

Gorontalo does not only have a cultural product like Karawo, but it also has cultural values as a cultural system which displays interaction pattern among the society, such as '*huyula*' or mutual assistance. In reality, mutual assistance value is only implemented in social life, but not in institutional and business financial management. Three values can be revitalized into the institutional and financial management of Karawo artists; *huyula* (mutual assistance), *dulohupa* (discussion), and *mo'odelo* (responsibility/honesty) [14]. The study is aimed to design a concept or model of an institution by integrating and implementing three values above-mentioned into the institution and financial management pattern of Karawo artists. In a qualitative study of management and accounting, the concept is an idea or thought made in the form of a symbol and word which was born from understanding exploration and subject awareness [15].

## METHOD

This study was aimed to create a concept or design of institution and financial management of Karawo artists which *huyula* (mutual assistance), *dulohupa* (discussion), and *mo'odelo* (responsibility/honesty) values-based as a cultural system of Gorontalo community. To achieve the objectives, the study design was conducted through a qualitative study method. The researcher took a role as the main instrument in data collection and analysis.

This study applied purposive sampling in the selection of key informants. The consideration of chosen informants' characteristics is the one who is assumed to know the most about Karawo, be it the product value or economic, social and cultural value. The chosen informants were: academics, sociologist, humanist, local government, Bank Indonesia, and karawo artist. The technique of data analysis was conducted through Focus Group Discussion (FGD). The FGD was meant to find out the meaning of a theme according to the understanding of a group [16].

The first stage of the study was through FGD with informants who met the characteristics of subjects of study. The second stage, the researcher created a narrative from the FGD result. The third stage was an in-depth discussion between the researcher team and academics who have been involved in Karawo study. The last stage, the researcher started to analyze the data.

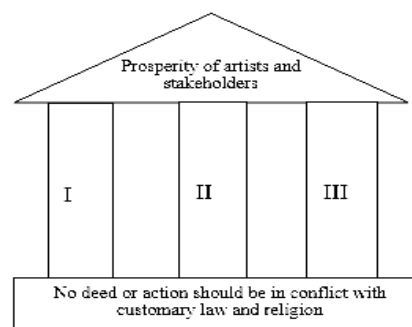
The technique of data validity was obtained through the available references. The researcher browsed the documents regarding Karawo and cultural values of Gorontalo community. The technique of data analysis was conducted through data reduction, data presentation, and conclusion.

## RESULT

Based on the study on the findings of the model/form of institutional and financial management of Karawo

artists and Gorontalo cultural values (*huyula* (mutual assistance), *dulohupa* (discussion), and *mo'odelo* (responsibility/honesty)), the harmony among the three cultural values can be found in cooperatives institution. The right and functional model of the institution and financial management to be developed for Karawo artists is "Gorontalo-Karawo ethno cooperatives."

Figure 1: Design of model of Institutional and financial management of Karawo artists with Gorontaloese cultural values-based "Gorontalo-Karawo ethno cooperatives"



I : *Huyula* (Mutual Assistance)

II: *Dulohupa* (discussion)

III: *Mo'odelo* (responsibility/honesty)

Definition of Gorontalo ethno cooperatives is essentially referred to the Law of the Republic of Indonesia No. 25 of 1992 concerning Cooperatives [17] which states:

"Cooperatives shall business actors that have members of individuals or cooperatives legal entities in which its operation is based on principles of cooperatives as well as treated as people economic movement based on familial principles".

Gorontalo Karawo ethno cooperatives technically is a cooperative based on Gorontaloese culture/customary law which is in accordance with Islamic values sourced from Al-Qur'an and As-Sunnah. The general definition of Gorontalo ethno cooperatives is a business entity which runs its operation with Gorontaloese culture that is based on *huyula* (mutual assistance), *dulohupa* (discussion), and *mo'odelo* (responsibility/honesty).

Epistemologically, the Gorontalo-Karawo ethno cooperatives are established based on: 1)Gorontalo-Karawo ethno cooperatives are based on Gorontaloese cultural values which are in accordance with Al-Qur'an and As-Sunnah: *huyula* (mutual assistance), *dulohupa* (discussion), and *mo'odelo* (responsibility/honesty); 2) Gorontalo-Karawo ethno cooperatives are based on Pancasila and the 1945 Constitution, and 3) Gorontalo-Karawo ethno cooperatives are based on familial principles.

The objective of Gorontalo-Karawo ethno cooperatives is to improve the spiritual, social and economic prosperity of the members and the community who get involved in Indonesia economic development

based on the principles of Gorontaloese community which do not violate Islamic values.

Generally, the Gorontalo-Karawo ethno cooperatives in terms of its principles are not much different from Sharia cooperatives, which have been applied in Indonesia. The concept of Gorontalo-Karawo ethno cooperatives is a combination of two values; Islamic values and Gorontaloese cultural values. The implementation or revitalization of Islamic values and Gorontaloese cultural values into the model of the institution and financial management of Gorontaloese artists will make the institution stronger in managing the interaction between stakeholders. The objective of the institution is not only to provide prosperity to the artist members but all of the involving stakeholders. The concept value being offered is to make God as the center of accountability. In the social, religious, and cultural life runs side by side in managing community behavior for their social and economic life [10], [5].

Table 1: Implementation of cultural values in the institutional and financial management of Gorontalo-Karawo ethno cooperatives.

Culture	Meaning of Values	Implementation
<i>Huyula</i> (mutual assistance)	<ul style="list-style-type: none"> <li>Spiritual: the artists and community believe that God is all-seeing</li> <li>Social: collaboration in all system / component</li> <li>Economic: jointly try to increase income</li> </ul>	<ul style="list-style-type: none"> <li>The institutional structure also involves theologian, doctor, academics, government, financial institution, businessman and consumer</li> <li>The involvement of stakeholder in management and membership has to run in accordance with its every function.</li> <li>No cheating</li> <li>Sparing some money for the alms from the profit and institutional fund (internal)</li> </ul>
<i>Dulohupa</i> (discussion)	<ul style="list-style-type: none"> <li>Spiritual: the artists and community believe that God is all-seeing</li> <li>Social: Every member has equal opportunity in decision making or giving an opinion</li> <li>Economic: Getting a proportional profit based on each participation</li> </ul>	<ul style="list-style-type: none"> <li>Sincerely accept the differences in the results of deliberation and consensus</li> <li>Pay wages with the appropriate service price.</li> <li>Apply 'limo rukuno lo mo taali' in transaction</li> <li>Obeys the Islamic principles in transaction.</li> </ul>
<i>Mo'odelo</i> (responsibility/honesty)	<ul style="list-style-type: none"> <li>Spiritual: Responsibility as God's servant</li> <li>Social: not only profit-oriented but also social performance-oriented</li> <li>Economic: shared prosperity</li> </ul>	<ul style="list-style-type: none"> <li>Give award and attention to the members by fulfilling the material and spiritual needs of artists</li> <li>Help each other in accomplishing tasks</li> <li>Committed to do the task/function</li> <li>Make an annual financial report (monthly)</li> </ul>

Source: Processed data of researchers

## CONCLUSIONS

This study found out a designed concept of institution and financial management of Karawo artists which is Gorontaloese cultural values-based such as *huyula* (mutual assistance), *dulohupa* (discussion), and *mo'odelo* (responsibility/honesty). The designed concept being offered is in the form of Gorontalo-Karawo ethno cooperatives. The concept is established from the foundation of life philosophy of Gorontalo community, which is 'no deed or action should be in conflict with customary law and religion.' Gorontalo-Karawo ethno cooperatives is a combination of Gorontaloese local wisdom values and Islamic values.

The urgency of the finding is local wisdom values in the form of cultural system is not only implemented in social life but also business activities. System of the institution and financial management, which are integrated with community cultural values become more unique and it is expected to contribute more. It does not only impact on the community economic life but also their social and cultural life.

The limitation of this study is the design of the institutional and financial management of Karawo artists is still a concept. Therefore, to find out the performance of the concept, it is needed to be implemented and tested.

## REFERENCES

- [1] I. W. Sudana, "Characteristics of Karawo The Textile Ornaments From Gorontalo," in *Prosiding International Seminar on Conservation of Cultural Heritage*, 2015.
- [2] I. W. Sudana, T. S. Suparno, Dharsono, and Guntur, "Method of Designing Ornaments On Karawo Textiles In Gorontalo," in *Advances in Social Science, Education, and Humanities Research volume 207 3rd International Conference on Creative Media , Design, and Technology (REKA 2018)*, 2018.
- [3] I. W. Sudana, T. S. Suparno, Dharsono, and Guntur, "Aesthetic Values of Ornaments in Karawo Textile in Gorontalo," *Art Des. Stud.*, vol. 68, no. 6, pp. 1–10, 2018.
- [4] Hadi, Rahmatiah, Jumadi, and Sulaiman Samad, "The Role of Human Capital in the Development of Sulam Karawo Creative Industry in Gorontalo," *Int. J. Acad. Res.*, vol. Vol. 7, no. No. 1, p. pp 158-162, 2015.
- [5] Rahmatiah, "Sulam Karawo: Konstruksi Identitas Budaya Gorontalo," *J. Pendidikan, three. dan Budaya*, vol. 3, no. 1, 2017.
- [6] M. Waty, "Airbrush Karawo Batik Design," vol. 6, no. 1, pp. 128–140, 2019.
- [7] Bank Indonesia, "Program Pengembangan Klaster Sulaman Karawo Provinsi Gorontalo." Dokumen Bank Indonesia Perwakilan Indonesia, 2013.
- [8] R. A. Isa, "Developing Karawo Industrial Center in Increasing Society's Income in Gorontalo District of Gorontalo Province, Indonesia," *J. Econ. Sustain. Dev.*, vol. Vol. 5, no. No. 23, p. pp 2205-208, 2014.
- [9] Niswatin, I. Igrisa, H. Hanafi, and M. Ahmad, "Institutional and Financial Management Model of Karawo Crafters in Gorontalo , Indonesia," *Res. J. Financ. Account.*, vol. 8, no. 21, pp. 50–56, 2017.
- [10] A. S. Niode, *Perubahan Nilai-nilai Budaya dan Pranata Sosial*. Jakarta: PT. Pustaka Indonesia Press, 2007.
- [11] M. H. Koniyo, S. A. Lamusu, L. Hadjaratie, and A. A. B. Bouty, "Perancangan Aplikasi Rekomendasi Motif Karawo," in *Seminar Nasional Sains dan Teknologi*, 2015, no. November.
- [12] Yayan Hanapi, "Pelaksanaan Perlindungan Hukum Merek Untuk Pengusaha Kerajinan Sulaman Karawo Di Gorontalo," *Gorontalo Law Rev.*, vol. 1, no. 2, pp. 1–9, 2018.
- [13] H. Chang, "Institutions and economic development: theory, policy and history," *J. Institutional Econ.*, vol. 7, no. 4, pp. 473–498, 2011.
- [14] Niswatin, H. Hanafi, and R. Indriasari, "The Culture value of Gorontalo as the Basis of Reconstruction of the Model of Organisation and

Finance Management of The Karawo Artisans in Indonesia,” in *Advances in Social Sciences, Education and Humanities Research volume 231. Proceedings of the 5th International Conference on Community Development (AMCA 2018)*, 2018.

- [15] S. Llewelyn, “What counts as `` theory ’’ in qualitative management and accounting research ?

Introducing five levels of theorizing,” 2003.

- [16] J. W. Creswell, *Qualitative Inquiry and Research Design: Choosing Among Five Approach (Third ed)*. Singapore: Sage Publications, 2013.
- [17] “Undang-Undang No. 25 Tahun 1992 tentang Perkoperasian.”