

# THE INVENTORY MAKING METHOD AND THE CALCULATION OF THE CRAFT ART WORKS IN THE PRESIDENTIAL PALACES OF THE REPUBLIC OF INDONESIA

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## **Abstract**

*There were thousands of highly valuable craft art works in the Presidential Palaces of the Republic of Indonesia. Therefore, it was difficult to establish their economic value. The calculation method of craft art works that fitted the characteristics of the presence of the artistic objects and their intangible value was highly required, which was a price estimation based on material cost approach and latest processing and their intangible value content.*

*The method could give quick calculation results of the nominal value of the craft art works of the Presidential Palaces of the Republic of Indonesia. The results of the calculation showed that there were approximately 13,000 craft art works. It provided a clear direction in calculating the value of the craft art works. It has been socialized to the officers of the Department of Finance of the Republic of Indonesia.*

**Key words:** cost approach, craft art works and presidential palace.

## **1. INTRODUCTION**

Generally, the inventory making of the craft art works means the effort to collect, to sort artistic products at certain regional scale. It is assumed that each government institution that handles cultural arts has made inventory of craft art works, but the inventory making method has not been detailed and included value calculation. Note taking effort is also made to collect the data of the craft art works in artifact form that has economic value and belongs to state asset. Inventory making is essentially conducted to collect the data of the craft art works owned, controlled and managed by certain institution and acquired personally, bought or granted. The specification of the craft art works includes variety, quantity, time, price, place, condition and the change for control and supervision. The Article 9 of the Act No. 17 of 2003 on State Finance stipulates that ministers/chiefs of institution as budgetary users/asset users are required to accomplish the managerial tasks of state-owned asset. It aims at establishing and maintaining administrative orderliness and supporting correct management of state-owned asset that all of the state-owned assets are well-registered. All of the activities in the management of the state-owned asset are conducted on the basis of functional principle, legal certainty, transparency, efficiency, accountability and value certainty. The data of the value of the state-owned asset is required to prepare managerial report and financial statement of central government describing the quantity, the condition and the proper value of the state-owned asset (The

General Directorate of State Asset, the Minister of Finance of the Republic of Indonesia: the service procedure of state-owned asset).

## 2. BACKGROUND

Craft art works are artistic products whose value is difficult to predict, especially their artistic, historical and antiquarian values and their economic value. Therefore, there are difficulties in taking note and in collecting data in establishing their value. It is often the case that their material value is not comparable to their artistic value. Therefore, the assessment of the craft art works has not been conducted to establish their economic value, especially that of the craft art works that belong to government's collection. Meanwhile, in business world people consider the craft art works in the presidential palace as having relative high economic value in art works auction. The assessment of the craft art works in the presidential palace of the Republic of Indonesia represents the one of the effort to make inventory and to assess their economic value. Therefore, it is necessary to create a more simple calculation method to establish the economic value of the craft art works in the presidential palace considering that there has not been any such method to assess the state-owned asset.

## 3. PURPOSE

The method aims at calculating state-owned assets of the craft art works in State Palaces and making inventory of the assets by formulating a proper calculating method with cost approach that may give as accurate results as possible. It may be the method to assess the price of the craft art works across Indonesia, especially those craft art works categorized ad cultural conservation, antique and of high artistic value. It provides us with clear direction in assessing the value of the craft art works.

## 4. THEORETICAL BASE

### 4.1. Craft Art Works

The value of craft art works may be observed through their history/their acquisition, their artistic aspects and their materials. The history closely relates to the aspect of historic explanations, meaning that the craft art works relate to certain figure in terms of their function or in certain period of time. The artistic aspect in general relates to the matters appertaining to materials, working and visual forms such as shape, style, and motif and so on. Rare materials such as gold, silver or precious stone and so on have added value to the craft art works, which are very important in assessing their value. There are always debates on the value of artistic works, especially when it comes to the assessment of their economic value because it involves non-physical values such as meaning, purpose, function and so on. Thus, it is expected that the categorization of the craft art works would provide a good sorting means, especially for those with historical value and considered as cultural assets. It also the case of the craft art works produced in a present mass production, including people arts created by small craftsmen categorized in small and medium scale business. The kind of the craft art works puts the emphasis on the handmade processing with the perseverance and the creativity of the artists. The kind of the craft art works has regional characteristics and hence it represents the cultural products of certain society.

Craft arts are deeply rooted in high quality traditional value (Javanese *adhiluhung*) because in the past master craftsmen of king palace created artistic works with perseverance and sophisticated philosophy that gave the legitimacy to their artistic works. The concept includes metaphysic thinking pattern containing spiritual, religious and magic values. Collective conscience of natural environment and close solidarity that were supported by traditional cultural system has produced high quality craft art works that reflected the zeitgeist of their respective era. The entire human spiritual life consists of feeling, thought and imagination in the era in which a culture prevails. The zeitgeist triggered the sparks of creative spirit in the soul of the

creators. Therefore, the high quality traditional value (the *adhiluhung*) of artistic works was measured by who are the supporting audience and who are the devotees. It was because the society in the royal era was highly stratified and it was easy to make a clear distinction between lay people and those coming from nobility or aristocracy who had different taste and it became formally or informally taboos for lay people to own or to use the artistic products similar to the ones owned and used in the royal circle. It was the causal factor of the differentiation of the origin of the craft art works, which were those produced in royal palace (*Jeron Beteng*), outside the royal palace (*Jaban Beteng*) and costal area (*Pesisiran*). Of course, the aspect of the *adhiluhung* was always related to any artistic works for royal circle because of distinct legitimacy given to the artistic works that were also considered as sacred and glorified. Consequently, there were those who considered any artistic works coming from the royal circle as *adhiluhung* or having high quality traditional value. It was not the case of the artistic works produced outside the royal palace (*jaban keratin*) representing the artistic works of lay people that were profane and no noble meaning or *adhiluhung* quality attached to them.

The meaning of the word *adhiluhung* is now different since the establishment of the unitary state of the Republic of Indonesia that conserves the traditional culture with its deep root and becomes the trademark of certain regions with its distinct characteristics as a part of the craft art works for example wooden carving of Jepara, batik art of Yogya-Solo, Dayak motif, keris, and so on. All of the artifacts have their own distinct value representing local creativity of the craftsmen community and becomes their tradition and livelihood. Thus, the aspect of the *adhiluhung* also has a power as artistic works with their supporting people.

The craft art work of each region has its typical characteristics that fit its cultural background. In general, people create craft art works as part of custom ceremonies, daily working tools and household utensils. The craft art works have become creative products and continuously used in custom rites and ceremonies. Based on the belief the products are then considered as sacred objects. When the social condition has changed and some kinds of the traditional arts have lost, the antiquarian value of the remaining artistic objects even increased. Many craft art products such as household utensils are gradually replaced by more modern fabricated tools. Therefore, the craft art works soon become history and displayed only in museum.

The craft art works are conserved as cultural objects and considered as artistic works representing national dignity. Therefore, it is expected that the inventory making of the craft art works would conserve them as the learning materials for next generations that they will not learn their own culture from other nation.

The craft arts have artistic styles representing their place of origin, motifs and decorative style, materials and working technique. Therefore, it is necessary to use visual approach of their elements to make an inventory of the craft art works. It is the elements that differentiate the craft art works of one area of origin from other craft art works of other area of origin. The elements are style, motif, shape, function, technique, material, history, color and character and even dimension, lines, colors, texture and the visual element arrangement as typical characteristics.

The craft arts are artistic products of craftsmen coming from the craft art centers. Each of the craft art centers has its own local cultural trademark. The craft art work production becomes their livelihood of the local people working as craftsmen. In general, they are oriented to the materials and the local traditional skills for generations. The craft arts may be considered as artistic works that are produced using simple tools and relying on craftsmanship on home industry base and have use value to meet human needs and economic purpose.

The craft art works clearly reflect their cultural and geographic environment of where they are created. It means that in terms of processing, working technique, shape and function, they reflect the presence of esthetic, ethics and logic values that become the reference of the craftsmen. The craft arts in its

correlation with culture become one of human expressions related to their effort to satisfy their daily life needs. In other words, the craft arts maintain their functional aspect of satisfying human needs for survival, identity, social integrity, social interaction and esthetic values and esthetic consideration based on the cultural values of their supporting people.

#### **4.1 The Aspects of Craft Art Inventory Making**

##### **4.1.1 Style**

Style means type or school of thought in arts. The school of thought in fine arts always presents as the results of artist's creativity. There are emerging schools of thought in fine arts over times along with their respective followers. People who live in simple era also have simple artistic expressions, while those how live in modern era also have modern artistic expressions. It is also the case of those living in postmodern era. The aspect of style in the craft art works has the same thing. Fine arts as historical inheritance have the style of its era. In general, the difference in the motif is found only in primitive and classic aspects. Actually, inventory making requires more style considerations to find more clear difference. The elements are:

- 4.1.1.1 Primitive: The art works have historical nuance, simpler in terms of shape and working technology for example Papua craft art works and also the reproduction of Sangiran stone axe, and so on.
- 4.1.1.2 Classic: Classic style usually becomes the measuring rod of the perfection of cultural culmination and it is eternal, for example *lulunglungan* batik motif and so on.
- 4.1.1.3 Modern: It represents new creation motif that has not existed before, including contemporary craft arts. The style is generally of global nuance and fits the prevailing era.

The style may also be observed from visual organization aspects, which are:

- 4.2.1.1 Dynamics, contrast: It has characteristic line and color movement organization element for example vertical and diagonal lines with more bright and shining colors.
- 4.2.1.2 Calm, static: It has the organizational element of level nuance such as horizontal lines and darker colors.

##### **4.3 Shape**

Shape is a geometric dimension that may be in the form of two dimensional elements such as dot, line, plane (square or circle). It may also be used to explain solid object such as cube and ball. The shape in craft arts is observed from the entire shape of the craft art works and their decorative motifs or their shape as motif.

However, the shape often directly refers to other name of the existing shapes such as box, cow, and mountain and so on. Therefore, the shape is determined as follow:

- 4.3.1 Another form of quality level: simple, semi-complicated and complicated.
- 4.3.2 Three dimensional forms: having sides, rounded and free.
- 4.3.3 General resemblance form: cow, human, and mountain and so on.

##### **4.4 Function**

Function closely relates to human living needs, including physical and spiritual needs. The craft arts serve the function of satisfying physical needs as found in household utensils. Meanwhile, the spiritual needs are satisfied by psychological refreshing. There are three categories of function, which are:

- 4.4.1 Personal function: It relates to spiritual satisfaction, individuals and self.
- 4.4.2 Social function: It relates to economy, politics, culture and magic.
- 4.4.3 Physical function: It relates to the satisfying of practical needs such ad household utensils.

Actually, the aforementioned functions may overlapping that results in the integrated multifunction

#### 4.5 Materials

Materials in craft arts play an important role. The materials are used in Indonesia to produce various craft art works and to name the craft art works such as wooden craft, metal craft, and leather craft and so on. The materials play also an important role in making inventory of the craft art works that data error does not result. Therefore, it is necessary to prepare the knowledge of the materials of the inventors. The materials are in craft arts classified into:

- 4.5.1 Non-organic materials: clay, metal, glass, crystal and plastic.
- 4.5.2 Organic materials: wood, stems of plants, rattan, leather, bone/ivory, and plants.
- 4.5.3 Mixed media: mixture.

The classification of the materials may also refer to product value:

- 4.5.1 “Expensive” materials: They include precious metal or rare metal for examples gold, diamond, platinum, precious stone, ivory or rare woods (*stigi, galeh, kelor, etc.*).
- 4.5.2 “Cheap” materials: They include the materials that are easily to find commercially such as plastic, glass, metal, non-teak wood, etc.

#### 4.6 Working Technique

Technique in craft arts represents human method to overcome problems. The problems are how a craftsman finishes a product using working tools. Generally, craft arts involve more handmade elements that use hand skills of the craftsman. The perseverance of the craftsman relies on the handmade skills with higher value than on working tools. The inventory making is conducted referring to the working process, which includes:

- 4.6.1 Hand made: It means the hand skills and the perseverance of the creators and dominated by hand working.
- 4.6.2 Semi-machine: It means that a part of the job is done using machine that aims at accelerating process and precision.
- 4.5.4 Machine: It represents the working technique using machine at higher speed, but its artistic element decreases.

#### 4.7 Colors

Colors are considered to be the interpretation of brain, which are optic information consisting of three primary colors of red, yellow and blue. Meanwhile, white reflects light spectrum seen by eyes as bright and various colors will emerge when it goes through prism, which are rainbow colors. Black is not color because it does not reflect color to eyes. In the craft arts the inventory making is conducted considering the aspect of the colors displayed.

- 4.7.1 Various colors: Various colors contain more than three colors, including gradation.
- 4.7.2 Monochrome: It uses single color but in gradation.
- 4.7.3 Block: It uses single color to cover the characteristics of materials.

#### 4.8 Finishing

Finishing is the last step in completing production process of craft art works that functions to make the artistic works more beautiful and to protect the works, which is similar to the application of colors. In the craft arts, it is classified into two based on the working process.

- 4.8.1 Natural, meaning that it gives natural veneering process of gluing materials through chemical process such as glazier on ceramics, golden lamination on copper, silver lamination on brass and so on.
- 4.8.2 Synthetic, meaning that it is applied by adhering synthetic finishing material such as pain, melamine and varnish on the craft art works.

## 5. DISCUSSION

### 5.1 The Importance of Assessment

As one of the place of high value art collection, presidential palace contains well-selected craft art works. The craft art works consist of wooden craft, ceramic craft, metal craft, stone craft, and crystal craft and so on. They have both functional use and decorative use. Of course, they also have high economic value considering the aspects of acquisition, artistic value, materials, and uniqueness. The prior president of the Republic of Indonesia Soekarno for example, was very charismatic president who liked to collect craft art works and hence he created a good image of craft art works. It is also the case of the successive presidents of the republic. The assessment of craft art works is carried out to make an inventory of them based on their economic value. It is proven that they have nominal value of billions and even trillions Rupiah.

Followings are requirements of the assessor:

- 5.1.1 Knowledgeable of craft arts,
- 5.1.2 Knowledgeable of material science,
- 5.1.3 Knowledgeable of working process, and
- 5.1.3 Having artistic sensitivity.

### 5.2 The Identity of Craft Art Works

Data is required to identify craft art works and it is collected by directly observing the physical condition of the craft art works in the presidential palace using camera, pair of scales, stationeries, inventory form, gauge, and other supporting tools in collecting the data of the craft art works. The initial collected data includes number of inventory, registration number, name/title, place of origin, location, shape, colors, dimension, motif/style, processing technique, materials, and volume (i.e., kg, m<sup>3</sup>, gram, feet, etc.). The data is in the form of photographs and their description.

### 5.3 The Indicators of Commercial Price as Comparative Consideration

The comparative consideration formulated in the presidential palace in Yogyakarta was similar commercial products of equal price and it was considered as improper. There were difficulties in finding the proper comparative craft art works because the price of antiquarian craft art works was unpredictable. Therefore, the assessment method was improved by using production cost (i.e., material and processing costs) standard of recent craft art works in the assessment of the craft art works in the presidential palace of Bogor on March 3<sup>rd</sup> – 7<sup>th</sup>, 2011. The assessment based on the production cost gave more objective results than those given by the comparative method of similar craft art works as formulated in Yogyakarta. Of course, the production cost of the craft art works changes with the prevailing condition of market.

#### 5.3.1 Commercial Standard Price

##### 5.3.1.1 Materials

Materials are the determinant in assessing the value of craft art works. Craft art works produced using very expensive, expensive and cheap materials. The expensiveness of the material of the craft art works is classified into three, which are very expensive, expensive and cheap. Gold, diamond and crystal are classified into expensive category. The value of the materials change constantly with world price that the assessment of the craft art works must consider the prevailing inflation fluctuation. However, the aspects of artistic value and acquisition dominate and only the very expensive materials have significant impact on the value of the craft art works. In addition to the aforementioned materials, there are also expensive materials for certain reason such as very expensive and rare wood such as *cendana*, *stigi*, etc. or rare and expensive stone and highly difficult processing such as *rubi*, *cubung*, etc.. Certain commercial materials also have special quality to consider in the assessment of the craft art works.

### 5.3.1.2 Processing Aspect

Hand made processing method is used by manual working. The value of the craft art works becomes high when the craft art works is processes manually using hand made method. In general, the hand made processing method is used by creative and innovative craftsmen with thorough hand skills and it is hard for others to imitate the resulting art works. Hand skills can result in typical characteristic, style and characters of the craftsmen. Therefore, the value contained in the hand processing is higher than the craft art works processed using machine.

### 5.3.1.3 Finishing Aspect

Finishing process is classified into two, which are natural and synthetic finishing. Natural finishing is conducted by considering the physical characteristics of the materials that can give protective effect to the materials in addition to the expected artistic effects such as beauty and antique as found in the craft art works of glazed ceramics that gives the artistic works beauty and protection. There are also ceramics with the finishing touch of painting and when the paint does not fit the materials it will easily flake and hence it is classified as synthetic finishing. In copper craft art works the coating material is made of Sn, a chemical used by metal craftsmen to give brownish effect on the brass or copper resulting from the interaction of the metal with the coating chemical that give very interesting effect while the original material is still observable. It is also the case of coating process through electroplating that gives valuable and beautiful results.

## 5.4 The Standard Price of the Materials Calculated along with the Processing Cost

The resulting price was obtained on the basis of the valid information of 2011 as summarized in the table of the interview with the vendors of the materials, the entrepreneurs, the artists and the craftsmen in Indonesia and the general material price found in the media and also internet. Following is the list of the price and the production cost of 2011:

N O.	MATERIAL NAMES	UNI T	PROCESSING AND FINISHING TECHNOLOGY					
			Handmade		Semi-Machinized		Machinized/Engineeri ng	
			Natural	Synthetic	Natural	Synthetic	Natural	Synthetic
1.	Gole	Gr	670,000	620,000	635,000	585,000	625,000	575,000
2.	Silver	Gr	27,000	23,000	24,200	20,200	23,400	19,400
3.	Copper	Kg	435,000	385,000	400,000	350,000	390,000	340,000
4.	Teak wood	M3	43,200,000	37,200,00 0	39,000,00 0	33,000,00 0	37,800,00 0	31,800,00 0
5.	Non-teak wook	M3	32,200,000	26,200,00 0	28,000,00 0	22,000,00 0	26,800,00 0	20,800,00 0
6.	Rare/magic wood	M3	48,200,000	42,200,00 0	44,000,00 0	38,000,00 0	42,800,00 0	36,800,00 0
7.	Iron	Kg	246,000	196,000	211,000	161,000	201,000	151,000
8.	Sand stone	M3	14,600,000	11,600,00 0	12,500,00 0	9,500,000	11,900,00 0	8,900,000
9.	Andesit stone	M3	30,700,000	24,700,00 0	26,500,00 0	20,500,00 0	25,300,00 0	19,300,00 0
10.	Rare stone	M3	137,600,00 0	129,600,0 00	132,000,0 00	124,000,0 00	130,400,0 00	122,400,0 00
11.	Parchment leather	Kg	1,822,500	1,447,500	1,560,000	1,185,000	1,485,000	1,110,000

12.	Chrome treated leather	Feet	70,250	62,750	65,000	57,500	63,500	56,000
13.	Glass	Kg	113,250	90,750	97,500	75,000	93,000	70,500
14.	Crystal	Kg	9,550,000	8,050,000	8,500,000	7,000,000	8,200,000	6,700,000
15.	Manual Loom Fabric	M2	1,040,000	840,000	900,000	700,000	860,000	660,000
16.	Machinized loom fabric	M2	480,000	380,000	410,000	310,000	390,000	290,000
17.	Ceramics: Porcelain	Kg	125,500	100,500	108,000	83,000	103,000	78,000
18.	Ceramics: Stoneware	Kg	6,118	6,093	6,100	6,075	6,095	6,070
19.	Ceramics: Earthenware	Kg	60,750	48,250	52,000	39,500	49,500	37,000
20.	Stainless steel	Kg	26,750	24,250	25,000	22,500	24,500	22,000
21.	Ivory/Horn	Kg	261,000	231,000	240,000	210,000	234,000	204,000
22.	Plastic	Kg	627,500	502,500	540,000	415,000	515,000	390,000

### 5.5. Coefficient

Coefficient comes from Greek *efficiens* that means calculating. Coefficient is part of constant number resulting from a calculation, for example friction coefficient, length expansion coefficient, width expansion coefficient, volume expansion coefficient and pressure coefficient. The coefficient is a constant number usually written before changing numbers such as 2 in  $2x$  or in  $2(x+y)$ . The list of coefficients below is prepared using the calculation of the Department of Finance of the Republic of Indonesia. In general, it is used to differentiate the regional distance from the center of certain territory of a country and the distribution cost aspect influencing the product price.

No.	Province	The Distance from Provincial Capital City		
		Up to 20 km	20 km to 100 km	> 100 km or different island
1	Nanggroe Aceh Darusallam	1.19	1.20	1.24
2	North Sumatera	1.14	1.15	1.19
3	West Sumatera	1.20	1.21	1.25
4	Riau	1.18	1.19	1.23
5	Kepulauan Riau	1.28	1.29	1.33
6	Jambi	1.12	1.13	1.17
7	South Sumatera	1.11	1.12	1.16
8	Bengkulu	1.17	1.18	1.22
9	Bangka Belitung	1.22	1.23	1.27
10	Lampung	1.05	1.06	1.10
11	Banten	1.02	1.03	1.07
12	Special District of Capital City (DKI)	1.00	1.01	1.05
13	West Java	1.03	1.04	1.08
14	Central Java	1.05	1.06	1.10

15	The Special District of Yogyakarta	1.06	1.07	1.11
16	East Java	1.04	1.05	1.09
17	West Kalimantan	1.22	1.23	1.27
18	Central Kalimantan	1.25	1.26	1.30
19	East Kalimantan	1.24	1.25	1.29
20	South Kalimantan	1.20	1.21	1.25
21	South Sulawesi	1.21	1.22	1.26
22	Central Sulawesi	1.38	1.39	1.43
23	Southeast Sulawesi	1.37	1.38	1.42
24	West Sulawesi	1.36	1.37	1.41
25	Gorontalo	1.34	1.35	1.39
26	North Sulawesi	1.35	1.36	1.40
27	Bali	1.17	1.18	1.22
28	East Nusa Tenggara	1.26	1.27	1.31
29	West Nusa Tenggara	1.24	1.25	1.29
30	Moluccas	1.43	1.44	1.48
31	North Moluccas	1.45	1.46	1.50
32	West Papua	1.47	1.48	1.52
33	Papua	1.52	1.53	1.57

The result of the multiplication of the material price and the production cost is market basic price. It will change after the calculation of the adjustment aspect.

## 5.6. Adjustment Factors

### 5.6.1. Depreciation

The physical condition is easy to observe. It includes the body of the artistic works and the ornament that are kept intact, no scratch, good colors as indicated by the lack of significant change, the bottom part of the works is still intact and other aspects as compared to the comparative object. Meanwhile, the moderate category includes the objects that have not been intact and have scratches, extruding defects, damaged or scratched paints in some parts of them. The last category is damaged objects. It means that the objects are cracked, seriously porous, moldy, broken, or have broken parts that are glued and the broken parts are still easily observable and they are not qualified for decoration. The depreciation of the craft art works is calculated by subtracting the assessment result of the craft art works to their original value. It is conducted using grading assessment of the damage limits using the categories of very good, good, moderate, bad and very bad as summarized in the table below.

### 5.6.2. Cultural Conservation Objects

According to the Act Number 5 of 1992 on Cultural Conservation Objects, cultural conservation objects are human made, mobile or immobile, in certain unit or group or the parts of them that are at least of 50 years of age or represent certain typical styles and era for at least 50 years and considered to have significant value for history, science and culture. The culture conservation objects has big portion in the assessment.

### 5.6.3. Historical Aspect

The determination of the historical aspect follows the transformation sequence of the craft art works. The historical aspect is classified into four, which are pre-historic, classic, modern and postmodern. The

classification has been agreed and is commonly used in the discussion of fine arts. The calculation in the percentage form results in the difference between the assessed craft art works and the comparative objects. The difference is of historical one based on their historical aspects. The classic era gets bigger percentage than the prehistoric era and it has been considered in a more complex and valid explanation of origin of the craft art works.

#### **5.6.4. Visual Beauty Aspect**

The beauty aspect of the craft art works is of course subjective, depending on the background of those who assess the craft art works. However, there are basic parameters in assessing the craft art works. The assessment of the visual beauty of the craft art works classified them into three, which are high value, moderate value and ordinary value. The high value may be observed in (1) perfect shape, (2) perfect proportion, and (3) perfect ornamentation. Meanwhile, the lower classifications are adjusted to the quality of the craft art works in the first classification. Additionally, it is also can be conducted by comparing the visual beauty of the craft arts works of a museum's collection and then determining the grade ranking of them.

#### **5.6.5. Originality and Certification**

Establishing the originality of the craft art works is difficult because it is usual that the artistic works have been created by the craftsmen who did not put their initial on their works in addition to the lack of certification of their artistic works. Therefore, originality of the craft art works in the presidential palaces is established using material, style and finishing consideration and also the characteristics of the craft art works found in other places such as in temples in the case the artistic objects are like those found in the temples. For example, the originality of the cultural conservation object is established by finding out whether the materials are original or synthetic. It is a task that can only be accomplished by highly qualified assessor. Therefore, old collections of the presidential palaces are thoroughly examined, especially the era in which they were created and when they are more than 50 years of age, it is assumed that they are original pursuant to the prevailing rules of the assessment of the cultural conservation objects.

#### **5.6.6. The Quantity and the Scarcity of the Craft Art Works**

The scarcity of the craft art works plays an important role because it is possible that certain objects that are considered to be rare and then they are found in other place abundantly and even commercially they do not have any value. It was the case of the finding of ceramics in the costal area of North Java. At the time the objects are found, they were very expensive and when they were further explored and many similar objects were found, their value decreased. If the craft art works are produced in limited number, they will have higher value than those produced in mass production. Scarcity results from the limited number of the artistic objects, the difficulties in finding them, the thousands years of their age and even the only object that exists.

#### **5.6.7. Functional Aspect**

An object may have individual, social and physical functions. Function in the assessment of the craft art works of the presidential palaces has maximal gradation of 500%, depending on their importance. Religious and monumental aspects get the biggest value.

#### **5.6.8. Acquisition History**

The presence of the craft art works in the presidential palaces must have been rationally considered. The acquisition history of the craft art works is very important in assessing the craft art works by comparing them with comparative craft art works. The craft art works of the presidential place collection that have been

used by the prior president of the Republic of Indonesia, Soekarno, have different value as compared to those bought by the household management of the palaces, especially those coming from abroad without any acquisition history. The acquisition value in the assessment of the craft art works is classified into four as summarized in the table below.

### 5.6.9. Changes

The assessment results of the craft art works are obtained using recent price standard that will increase in the future following the annual inflation.

### 5.6.10. The Example of the Assessment of the Craft Art Works of the Presidential Plance

The Assessment of Craft Art Works with Cost Approach							Code:	
1	Inventory number	:		(Old)	4.50	(New)	dw100	
2	Registry number	:	3733					
3	Collection types	:	Craft					
4	Work title	:	Loom					
5	Origin	:	-					
6	Artist name	:	-					
7	Storage place	:	State palace museum-Exhibition room F					
8	Object description	:						
	Material type	:	Non-teak wood and yarn					
	Processing technology	:	Hand made produced					
	Acquisition history	:	-					
	<b>Nea/unitary reproduction cost</b>	:				26,200,000	m3	
	<b>The coefficient of West Java Area</b>	:	1.08			28,296,000		
	<b>Weight/unit</b>	:				0.07	m3	
	<b>New Production Cost</b>	:				1,980,720		
	<b>Depreciation</b>	:		5%		99,036		
	- Very good		0%-10%					
	- Good		10%-25%					
	- Moderate		25%-75%					
	- Bad		75%-80%					
	- Very bad		more than 80%					
	<b>Present value</b>					<b>1,881,684</b>	=	
	<b>Cultural Conservation Object</b>			0%		-		
	- Cult. conserve. object		500%					
	- Non-cult. Con. object		0%					
	<b>Historical aspects</b>			40%	:	<b>752,674</b>	+	
	- Prehistory		30%					
	- Classic		40%					
	- Modern		20%					
	- Postmodern		10%					

<b>Visual beauty</b>			<b>30%</b>	:	<b>564,505</b>	+
- High arts		60%				
- Moderate arts		30%				
- Ordinary arts		10%				
<b>Originality</b>			<b>90%</b>	:	<b>1,693,516</b>	+
- Original		90%				
- Artificial		10%				
<b>Scarcity</b>			<b>50%</b>	:	<b>940,842</b>	+
- Rare		50%				
- Moderate		40%				
- Abundantly available		10%				
<b>Functional aspect (max. 500%)</b>			<b>100%</b>	:	<b>1,881,684</b>	+
- Presence for religious/monumental event		< 500%				
- Absence		0%				
<b>Acquisition history</b>			<b>200%</b>	:	<b>3,763,368</b>	+
- Before 1960		500%				
- After 1960		200%				
- The procurement by presidential palace household management		100%				
<b>Proper value</b>					<b>11,478,272</b>	=

Bogor, Februari 13<sup>th</sup>, 2012

Assessor : Indah S

Resource person :

6. W. Budiyanto, S. Sos :.....

7. Dr. Timbul Raharjo, M. Hum. :.....

8. Mikke Susanto, S. Sn. :.....

9. Agus Dermawan T. :.....

10. Dra. Watie Moerany, M.Hum. :.....

Presidential Palace Bogor Party,  
Dra. Wahyuni Saptantinah

Palace Head  
Drs. Samadi, M. Si.

## 11. CLOSING

### 11.1 Conclusions

- 11.1.1 The material price-based calculation method can be applied in calculating state assets in the form of craft art works with relatively high economic value.
- 11.1.2 The method is easily applied by the managerial officers of the craft art works who are knowledgeable of the materials, the material price, the processing technique, the finishing and the artistic value and the acquisition.
- 11.1.2 It is proven that the craft art works of the presidential palaces have higher value because of their historical factor and it is possible that the palaces kept artistic works of historical value created by artists of the beginning of 20<sup>th</sup> century spreading across Southeast Asia.

### 11.2 Recommendations

- 11.2.1 It is necessary to organize training for the officers or the managers of galleries, museum, and government offices to assess the state-owned assets in the form of artistic works.
- 11.2.2 It is necessary to regularly update the calculation, once in two or three years because of inflation.
- 11.2.3 It is necessary to understand the methods to maintain the craft art works that they are well-preserved and have high value.

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