

<https://doi.org/10.7250/CONNECT.2023.105>

HOW ARTISANS APPLY CLEAN PRODUCTION: THE CIRCULAR ECONOMY OF HANDICRAFTS IN INDUSTRIAL CENTERS

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Abstract – Clean production in the production of handicrafts is one of the key elements of success for artisans in creating environmentally friendly products. The industrial waste generated by society has polluted the environment. Micro, small, and medium enterprises have a significant contribution to the Gross Domestic Product of a country. The presence of industrial centers that produce various types of handicrafts using clean production is expected to increase the income of artisans. The purpose of this research is to investigate the circular economy of handicraft artisans in producing products through clean production. The research used a descriptive qualitative approach, with artisans in Indonesian handicraft industrial centers as the subjects. Data collection was conducted through interviews and direct observations involving artisans in the industrial centers, as well as online data collection with relevant agencies. The research findings indicate that clean production in handicraft industrial centers is carried out using simple technology. This is influenced by the number of orders received by the artisans and based on sales turnover. The circular economy in the micro, small, and medium enterprises of handicraft industrial centers at the level of raw material usage, production processes, and marketing has already implemented environmentally friendly principles. However, the concepts of better service and remanufacturing are not present in the circular economy model applied in the industrial centers. This is due to the artisans' limited understanding and knowledge, as well as the function of the product itself.

Keywords – *Circular economic; cleaner production; Small and Medium Enterprise*

Acknowledgment

The researcher extends the acknowledgment to the Ministry of Education, Culture, Research, and Technology. This paper is funded by Domestic Postgraduate Education Scholarship (BPP-DN) by the Ministry of Education, Culture, Research, and Technology.