



Bridging Tradition and Digitalization: Government's Role in Transforming Indonesia's Heritage MSMEs

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ARTICLE INFO

Article history:

Received: 06 October 2025

Revised: 09 November 2025

Accepted: 11 November 2025

Available online: 29 November 2025

E-ISSN: 2830-5388

P-ISSN: 2541-6642

How to cite:

Putri, Z. E., Sekarningrum, B., Azwar, A., & Muftiadi, A. (2025). Bridging Tradition and Digitalization: Government's Role in Transforming Indonesia's Heritage MSMEs. *Journal of Sumatera Sociological Indicators*, 4(2), 422-432.

ABSTRACT

This study explores the digital transformation of cultural heritage-based MSMEs in Kampung Rendang and Kampung Tenun Pandai Sikek, Indonesia. It investigates how government initiatives, networks, and digital engagement interact in shaping business sustainability and competitiveness. Using a comparative case study approach, data were gathered through in-depth interviews, field observations, and document analysis. The findings reveal that digital training, branding programs, and access to finance have supported MSMEs in adapting to digital technologies, while persistent challenges such as limited digital literacy, inadequate infrastructure, and cultural and regulatory constraints continue to hinder progress. Nevertheless, digital platforms such as Tokopedia, Shopee, and social media have enabled wider market access and innovation without eroding local cultural values. This study highlights the sociological dynamics behind digital adaptation, showing that social capital and collective participation remain crucial in sustaining traditional enterprises in a digital context. The research contributes to the sociology of digital transformation and offers practical insights for strengthening inclusive and culturally grounded MSME development.

Keyword: MSMEs, Government, Digitalization, Kampung Rendang, Kampung Tenun

ABSTRAK

Penelitian ini mengeksplorasi transformasi digital pada UMKM berbasis warisan budaya di Kampung Rendang dan Kampung Tenun Pandai Sikek, Indonesia. Kajian ini menelusuri bagaimana inisiatif pemerintah, jaringan sosial, dan keterlibatan digital saling berinteraksi dalam membentuk keberlanjutan dan daya saing usaha. Dengan menggunakan pendekatan studi kasus komparatif, data dikumpulkan melalui wawancara mendalam, observasi lapangan, dan analisis dokumen. Hasil penelitian menunjukkan bahwa pelatihan digital, program penguatan merek, dan akses permodalan membantu UMKM beradaptasi dengan teknologi digital, meskipun tantangan seperti rendahnya literasi digital, keterbatasan infrastruktur, serta hambatan kultural dan regulatif masih menghambat perkembangan optimal. Namun demikian, pemanfaatan platform digital seperti Tokopedia, Shopee, dan media sosial telah memperluas akses pasar dan mendorong inovasi tanpa menghilangkan nilai-nilai budaya lokal. Penelitian ini menyoroti dinamika sosiologis di balik proses adaptasi digital, di mana modal sosial dan partisipasi kolektif tetap menjadi kunci dalam menjaga keberlanjutan usaha tradisional di era digital. Studi ini memberikan kontribusi pada kajian sosiologi transformasi digital serta menawarkan wawasan praktis untuk memperkuat pengembangan UMKM yang inklusif dan berakar pada budaya.

Keyword: UMKM, Pemerintah, Digitalisasi, Kampung Rendang, Kampung Tenun



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<https://doi.org/10.32734/jssi.v4i2.23017>

1. Introduction

Micro, Small, and Medium Enterprises (MSMEs) are the backbone of the economy; therefore, the government is implementing programs and other initiatives to encourage growth (Chatzoglou & Chatzoudes, 2016). Based on data from Kemenkopukm.go.id In Indonesia, the MSME sector is also dominant, with 99.9% of businesses being small and medium-sized enterprises, and only 0.01% being large-scale businesses. This indicates that the sector still requires attention to improve the Indonesian economy. Local MSMEs need to be prepared to compete in the global market as we enter the era of globalization (Liñán et al., 2020). This gives MSMEs the chance to enter international markets.

According to Liñán et al. (2020), local MSMEs face several challenges, including limited funding, a lack of information, reduced negotiating power, insufficient resources, limited international expertise, inadequate government protection, and a lack of demand for their products. Furthermore, the 2020–2022 COVID-19 pandemic has affected the sustainability of MSMEs. However, due to limitations on economic activity, MSMEs found it challenging to survive during the Covid-19 pandemic, particularly when the Large-Scale Social Restrictions (PSBB) policy was implemented (Lutfi et al., 2020; Pratama et al., 2021). During the COVID-19 pandemic, MSMEs experienced a decline in sales and performance (Ssenyonga, 2021; Surya et al., 2022; Zhen Yi, 2020). MSMEs operating in the food and beverage, creative, and agricultural sectors were the most impacted (www.pikiran-rakyat.com, n.d.).

According to earlier studies that look at MSMEs, a sustainability plan is required for MSMEs to recover and acquire influence. Regarding the aspirations of microbusinesses to grow into small businesses, small businesses to become medium enterprises, and medium businesses to become significant enterprises, MSMEs have not seen any notable improvements (Chowdhury & Shumon, 2020; Tanjung, 2017). Offering specific programs and incentives is one way that MSMEs have been empowered. Program implementation is frequently linked to success and failure (Maksum et al., 2020). Due to financial and human resource constraints, stakeholder mentoring can occasionally yield subpar outcomes (Mulyadi, 2019).

Kampung Tenun in Pandai Sikek and Kampung Rendang in Payakumbuh City are two potential MSMEs in West Sumatra that have the potential to grow and enter the global market. In this instance, the village is comparable to a center or cluster, a collection of different enterprises that are similar to one another, particularly small businesses. The development of small business industries is the primary focus here. Business centers are said to be beneficial for competitive pricing, quick and inexpensive procurement of raw materials, and market expansion (Tanjung, 2017). The study is being conducted at MSMEs in Kampung Tenun Pandai Sikek and Kampung Rendang Payakumbuh.

It's interesting to note that Kampung Rendang and Kampung Tenun each have distinctive features that emphasise aspects of Minangkabau culture. For example: 1) Kampung Rendang, which is the first Kampung Rendang in West Sumatra with a variety of rendang variations, is situated in Payakumbuh City, commonly referred to as the city of Rendang. From 2011 to 2019, CNN International ranked Rendang as the world's top 50 most delectable meals. Rendang was named one of Indonesia's five national delicacies in 2018. Thus, Rendang is well-known and has gained international renown. Furthermore, Rendang is one of the cultural heritages that UNESCO is working to list as one of the world's Intangible Cultural Heritages (Saptowalyono, 2021). As a result, Kampung Rendang has gained global recognition and is now a highly desirable tourism destination.

Then, Kampung Tenun Pandai Sikek, also known as Songket, is a region in West Sumatra that specializes in the production of woven fabrics. This weaving town could also become a songket craft tourism destination (Pratama et al., 2021). While other areas of West Sumatra, including Koto Gadang, Kubang, Silungkang, Batipuh, and Sungayang, also produce songket, Pandai Sikek weaving has been evolving since 1850 (Dewi, 2015). The distinctive feature of Pandai Sikek weaving is that both younger and older generations are skilled weavers. Since skills are messages from their predecessors, they cannot be passed down to generations outside of the Pandai Sikek territory.

The discourse surrounding MSMEs in West Sumatra predominantly adopts an economic lens, encompassing themes such as capital accessibility (Diana, 2019), bank credit availability (Marta & Satria, 2015), marketing methodologies (Widian Sari, 2018), female leadership dynamics (Syahardi, 2017; Yumna & Nelonda, 2018), and the enhancement of MSME competitiveness (Wirda, 2020; Yeniwati, 2015; Yossi & Syuhardi, 2018). In developing MSMEs, it is also necessary to look at social capital and the adoption of digital technology. In the national and international context, based on previous research, social capital plays a vital role in the development of MSMEs, with a positive influence on MSME innovation (Muafi, 2015; Rastrollo-Horrillo & Rivero Díaz, 2019; Sanchez-Famoso et al., 2020; Soesanto, 2017). Social capital, particularly networks that impact innovation, is the subject of several other studies (Analia et al., 2019;

Sarwar et al., 2021; Setyanto, 2015). Furthermore, social capital has been linked to improved performance among MSMEs (Lee & Hallak, 2020; Olamide & Ogbachie, 2021; Pratono & Mahmood, 2014; Totskaya, n.d.) . Several additional social capital research studies focus on family networks that improve MSME performance (Aragón-Amonarriz et al., 2019; Manik et al., 2021) . Furthermore, the internationalisation process of MSMEs requires social capital (Zhang et al., 2012).

The significance of digital platforms for MSMEs (Sastararuji et al., 2022), the use of social media has a positive effect on increasing marketing (Wibawa et al., 2022), and the adoption of digital technology with e-commerce is a strategy for the sustainability of MSMEs (Cano et al., 2022; Vrontis et al., 2022; Xu et al., 2022) . Adopting digital technology enhances the performance of MSMEs, particularly in gaining new domestic clients and boosting sales (Slamet et al., 2016) . Stakeholder collaboration (individuals, communities, and governments) is necessary to grow the MSME market with digital markets and digital financing (Liu & Sukmariningsih, 2021); the use of digital technology (e-commerce and social media) can increase the influence of business strategies and MSME performance (Armiani et al., 2021). Adopting digital technology enhances MSME performance, particularly in terms of growing sales and acquiring new domestic customers (Slamet et al., 2016). According to earlier research, implementing digital technology is crucial for the development and sustainability of MSMEs, as well as for enhancing their performance.

Digitalization has transformed various sectors, including traditional small and medium enterprises (MSMEs). With its diverse cultures and economies, Indonesia faces challenges in maintaining its cultural heritage while adapting to the modern business landscape. Culturally based MSMEs, such as Kampung Rendang and Kampung Tenun, are vital in preserving cultural identity and driving local economic growth. However, these MSMEs face challenges in adopting digital technologies crucial for expanding their markets and increasing their competitiveness. Government interventions significantly address these challenges through financial support, training, and market access. However, the effectiveness of these programs varies, necessitating an in-depth analysis of their impact on MSMEs in different regions. This study examines how government policies influence digital transformation in traditional MSMEs and identifies gaps that must be addressed to achieve optimal impact.

Although previous studies have examined digitalization in MSMEs, limited research still focuses on cultural heritage-based businesses that must balance the preservation of tradition with the adoption of technology. This study presents a novel approach by integrating social capital theory with digital business strategy, offering a unique perspective on government-driven digital transformation. The results of this study contribute to discussions on digital inclusion, MSME sustainability, and the role of policy in shaping the digital economy for culture-based industries.

2. Method

This study employed a qualitative research design with a sociological approach to explore how social interactions, trust networks, and digital adaptation shape the transformation of heritage-based MSMEs in Kampung Rendang, Payakumbuh, and Kampung Tenun, Pandai Sikek. Although the research emphasizes the government's role, MSME actors remain the main informants, as they represent the core agents who experience and negotiate digital change in everyday business practices. Government officials and facilitators were included as supporting informants to provide institutional perspectives and enrich data triangulation.

Data Collection

Two types of data were collected: 1) Primary data, obtained through in-depth interviews and non-participant observation. Interviews focused on how MSME actors manage production, build trust and cooperation networks, and adopt digital technologies such as e-commerce and social media; 2) Secondary data, drawn from relevant documents, including government policies, local development reports, and village economic profiles related to Kampung Rendang and Kampung Tenun.

Informant Selection

Informants were selected using purposive sampling (Afriзал, 2014) based on predetermined criteria. The primary informants consisted of MSME actors engaged in rendang and weaving production who belong to official MSME clusters, have at least five years of experience, and manage small-scale enterprises rooted in cultural heritage. To complement these perspectives, six government officials and MSMEs. Facilitators involved in digitalization programs were interviewed as supporting informants. A total of 35 informants participated in the study.

Data Analysis and Validity

Data were analyzed using the interactive model of Miles and Huberman (1994), which involves three concurrent processes: 1) Data reduction, including coding and categorizing key themes; 2) Data display, organizing information into thematic matrices linking social and digital capital; and 3) Conclusion drawing

and verification, conducted iteratively to ensure analytical depth and validity. Data credibility was ensured through method triangulation (interviews, observations, and documents), source triangulation (cross-checking MSME and government perspectives), and prolonged engagement in the field to deepen contextual understanding.

3. Result and Discussion

Result

The Role of Government in Developing MSMEs

Based on the study results on MSMEs Kampung Tenun Pandai Sikek, several findings related to the government's role were obtained, as described below.

1) Efforts to save the Pandai Sikek songket culture with the Pandai Sikek Geographical Indication Program

A geographical indication is a sign that shows the origin of an item and/or product due to geographical or environmental factors, including human factors, natural factors, or a combination of both factors that provide a certain reputation, quality, and characteristics, and/or products produced. The sign used as a geographical indication can be an etiquette or label attached to the goods produced. The sign can be a regional/place/region name, words, pictures, letters, or a combination of these elements (Directorate General of Intellectual Property, Ministry of Law and Human Rights of the Republic of Indonesia, n.d.).

Geographical indications will provide benefits such as; 1) clarifying product identification and establishing production and process standards among stakeholders of Geographical Indications; 2) avoiding unfair competition practices, providing consumer protection from abuse of Geographical Indication reputation; 3) guaranteeing the quality of Geographical Indication products as original products so as to provide consumer confidence; 4) fostering local producers, supporting coordination, and strengthening organizations of fellow rights holders in order to create, provide, and strengthen the image of the name and reputation of the product; 5) increasing production because Geographical Indications explain in detail about products with distinctive and unique characteristics; 6) the reputation of a Geographical Indication area will also be raised, in addition Geographical Indications can also preserve natural beauty, traditional knowledge, and biological resources, this will certainly have an impact on the development of agrotourism (Directorate General of Intellectual Property, Ministry of Law and Human Rights of the Republic of Indonesia, n.d.).

For Pandai Sikek, because its songket is already well-known, it is necessary to ensure the quality of geographical indication products circulating in the market as original products to give confidence to consumers. This is because some areas have motifs similar to those found in Nagari Pandai Sikek weaving. Therefore, when this geographical indication program is implemented, it is hoped that it will have a positive impact on the development of Pandai Sikek weaving, thereby preventing unfair competition practices or the misuse of the well-known Pandai Sikek songket name.

2) Encourage artisans and weaving business actors to verify products.

This initiative aims to boost sales by diversifying products, both in new and existing categories. The characteristics of Pandai Sikek products are the *kodek* and *salendang*. Songket products can only be used at specific times, such as special events like wedding parties and *batagak walinagari*. So people will not always buy it. The government encourages the creation of derivative songket products, such as other everyday fashion items that use songket as the basic material. It is hoped that derivative songket products will accelerate Pandai Sikek songket cloth sales. Some have implemented it, but it has not been maximized.

During product verification, several obstacles are encountered in the implementation in the field, including the need to transform the songket into a clothing product because it cannot be washed, which requires creativity to achieve. Some other products that utilize it are party bags, but this bag is also intended for specific events, so it can only be used once because it is not a reusable model. This is also tied to the value of the Pandai Sikek songket for the people of this village. Because a cultural value is attached, it is used for specific activities or events. So, it is feared that product verification will reduce the value of the songket itself. In terms of economic value, product diversification will make money turnover faster, as shown in an interview with the Head of Industry of Tanah Datar Regency, WA, on 14 November 2023, as follows: *"Slowly, we try to encourage the community, especially craftsmen, to open themselves up to product diversification. If people buy a sarong once, they are unlikely to repurchase it. But for fashion, people will often buy. So the turnover will be better"*.

3) Assisting various parties through capital assistance, marketing and promotion access, tools, and training.

There are MSME actors who want to progress, but they lack capital. A group was formed, and a decree was issued in the village. After that, opportunities were sought to get assistance. In 1 group, there are

20 active people. Then, there has been cooperation with various parties to promote woven products. In the Tanah Datar Regency government program, One Village, One Event, 14 villages in Tanah Datar participated. Pandai Sikek Village presented a 1000 songket Parade. This event was held on August 27-28, 2022. With the songket parade activity, there were impacts such as initially declining songket sales, and now increasing

Pandai Sikek weaving artisans use looms that consist of three types: manual (cukia), semi-manual (knitting), and ATBM with cards. Different tools are used, so the songket fabric produced varies in terms of the length of work and the quality of the songket fabric. Manual looms are the first looms used by weavers in Pandai Sikek. Because the work is all manual, it takes longer than semi-manual or card looms. The motifs have been designed from the start for card looms, so the artisans only need to follow the motifs on the cards, without needing to create motifs. Unlike manual looms, artisans can create motifs because they are already made by the artisans during weaving, not printed rigidly on cards. So, the resulting motifs are more diverse, the processing time is longer, and the wages are higher. The obstacles faced in songket production include the lengthy processing time and the fact that accepting weavers outside Pandai Sikek is not permitted.

In the case of Kampung Rendang, the Payakumbuh City Government plays a crucial role in strengthening local MSMEs through policy initiatives, institutional support, and city branding efforts. The establishment of the Rendang UPTD has served as a strategic instrument to facilitate business development, provide training, and promote local products. Collaboration with cooperatives has also improved MSMEs' access to broader markets. Furthermore, annual events such as the *Marandang Festival* and the rebranding of Payakumbuh as the "City of Rendang" demonstrate the government's commitment to positioning heritage-based products within the creative and digital economy. However, this study also identifies several challenges, particularly in ensuring program continuity amid leadership changes, aligning inter-agency coordination, and encouraging collective rather than individual business growth. Overall, the role of the Payakumbuh City Government reflects a continuous effort to preserve cultural heritage while fostering innovation and digitalization for sustainable MSME development. The explanation is presented as follows.

The Payakumbuh City Government, through the Industry and Manpower Service, has a UPTD that focuses on developing Rendang in the city of Payakumbuh, known as the Rendang UPTD. The Rendang Development and Service Center UPTD serves to develop and support rendang businesses, both on a small and large scale. So far, this UPTD has become a mediator for the Head of the Industry and Manpower Service to facilitate the large-scale production of MSMEs in the Rendang MSME center. So this is where the UPTD's position is as a mediator for MSMEs, cooperatives, or rendang entrepreneurs. The Rendang UPTD also offers a space to display products only. Because this is not a place to transact products, they only display dummies/package/samples here. If anyone is interested in buying, UPT can direct them to MSMEs Rendang. The history of UPTD began in 2014, when the Payakumbuh City government recognized the potential of Rendang, which was previously clustered in Kampung Rendang. The SK has five villages: Kampung Tenun, Kampung Rendang, Kampung Bambu, and Kampung Snacks. So, it was naturally centralized. In 2016, the government sent a proposal to the Ministry of Industry regarding the Rendang Center (the forerunner of UPTD Rendang).

Overall, the promotion of the form of government, especially in 2018, coincided with a city rebranding effort. Initially, Payakumbuh was the city of BATIAH, but it became the city of Rendang. Initially, the nickname of the town of BATIAH was an abbreviation for Bersih, Aman, Tertib, Indah, Anggun, and Harmonis. However, people sometimes assume that bath food. The history of rebranding was declared on the anniversary of Payakumbuh City on 17 December 2018, when it was rebranded as Payakumbuh City. Payakumbuh once held a Merandang festival to strengthen the city's branding. In 2019 and 2020, Payakumbuh City hosted a marandang festival throughout West Sumatra, which took place on November 23-24, 2019, at the *Medan Nan Bapaneh* Ngalau Indah Field in Payakumbuh City. This activity is a collaboration between the West Sumatra Tourism Office and the Payakumbuh City Tourism, Youth, and Sports Office, taking place on the first day of the traditional marandang competition and the second day of the creative marandang competition. This activity was attended by 10 regencies/cities, namely Pesisir Selatan Regency, 50 Kota Regency, Padang City, Solok City, Sawahlunto City, Tanah Datar Regency, Agam Regency, West Pasaman Regency, Bukittinggi City, and Payakumbuh City (Rahmat, 2019).

In 2020, at the beginning of the COVID-19 pandemic, Payakumbuh City held another randang festival on 15-16 October 2020, which was the result of a collaboration between Payakumbuh City and the Tourism, Youth, and Sports Office (Disparpora) in the Ibh Green Open Space (RTH) of Payakumbuh City. Because this event was held during the COVID-19 period, only representatives from the tourism office were present. The management limited the public to the event location to prevent the spread of COVID-19, and the event could be watched live on Instagram or YouTube (Aisyah, 2020). In 2023, the *Payakumbuh Botuang Festival* was held, an annual event in West Sumatra Province, which was included for the first time

in the 110 Karisma Event Nusantara (KEN) in the same year. Marandang was included on the first day of the event, namely on 13 July 2023, in the Payakumbuh Botuang Heritage series of events. There are other events on that day besides Marandang Jo Botuang, namely manyurek ka botuang, marakik layang-layang, stilts, marakik-rakik, MSMEs, and extravagance exhibitions (Marselly, 2023). However, this festival does not focus on the marandang event but on a complement.

In implementing the event the following year, the Payakumbuh City Government is advised to add activities related to the rendang festival. Not only a rendang cooking competition, but it can also be added with a rendang cooking workshop and a live demonstration that teaches visitors for free how to cook Rendang by inviting chefs or cooking experts who are famous for their skills. Then, it can also be held simultaneously as a rendang culture and history exhibition. This event can provide information about the process and ingredients of making Rendang, as well as its history. In addition, a rendang market and culinary events can be held there. The rendang market is a place to sell various types of rendang dishes, including packaged Rendang, rendang spices, and other innovative rendang-processed products. The rendang culinary zone offers a variety of rendang dishes and snacks, featuring multiple variations and innovations. Maximizing the role of social media for event promotion can be achieved through multiple platforms, including endorsing various social media accounts and influencers, as well as live streaming. In addition, you can also place advertisements in the mass media. Additionally, it can be combined with the creation of rest areas, such as cafes with a rendang theme or the sale of rendang-themed souvenirs.

UPTD Rendang was born in 2019. For its business actors, a cooperative was born. So, the UPTD and the cooperative were born side by side. Then, in 2020, they began exploring international contracts with Saudi Arabia and Malaysia. The business actors are still cooperatives. Then, in 2021, to continue this *marandang* culture, the Rendang school was born. The programs are: 1) Business incubator for school children who support the independent curriculum; 2) Cultural literacy, such as the marandang culture in the form of learning about the marandang process, history, and culture of marandang. This is implemented in the local content curriculum in schools. Starting from elementary, middle, and high schools. In elementary and middle schools, the subject is marandang. While in high school, the subject is entrepreneurship; 3) Gastronomic tourism, namely tourism that emphasizes experience, not only enjoying the taste of food dishes. But also exploring information about the history, culture, and daily practices of the people of an area, so that a food is created.

The Payakumbuh City government, through the Rendang UPTD, is no longer focused solely on Kampung Rendang but has expanded its efforts to other Rendang MSMEs in Payakumbuh City. The implementation of the development of this Rendang MSME is also related to where the leadership (Mayor/Deputy Mayor) focuses their attention on the development of Payakumbuh City. Whether the current leadership focuses on Rendang and branding Payakumbuh City as the city of Rendang in the future is uncertain; it also depends on the programs of the next leader. The obstacles felt related to the development of Rendang MSMEs from the government's perspective are related to the mindset of MSME actors who are more advanced individually than together, as stated by NA, Rendang UPTD, Payakumbuh City, as follows: *"The obstacles are related to mindset. Don't be satisfied quickly; stay together in a group. Don't run alone; move forward together. So, like now, they are agile individually and somewhat marginalized as a group"*.

Discussion

Support and Obstacles in MSME Development

MSMES Kampung Rendang Payakumbuh already possesses social capital (social networks, norms, and trust) and is making efforts to adopt digital technology. Additionally, there is another strength, namely the superiority of rendang products, which vary in authentic Minang flavors. The diversity of rendang products is a unique attraction because of its strategic location on the inter-provincial crossing route (Riau and West Sumatra). Kampung Rendang is also used as a stopover for learning about Rendang. Plus, raw materials for making Rendang are available in the area. There are other opportunities, such as: 1) The Payakumbuh City Brand, known as the city of Rendang, provides added value to Kampung Rendang. Because this branding raises awareness and interest in Rendang from Payakumbuh City, it will also increase consumer confidence that Rendang, an area known for its rendang, has better and more authentic quality. This will increase consumer confidence; 2) There is potential for rendang tourism to be developed in Kampung Rendang. It is expected that promotions and gastronomic rendang tourism events can be maximized. This tour enables people to learn how to prepare Rendang, explore the history of Rendang, and discover its cultural significance, including its culinary significance. This can attract people to enjoy cooking Rendang and buying souvenirs. 3) A rendang UPTD already focuses on developing Rendang in Payakumbuh

City. This is expected to strengthen the branding of Rendang products by collaborating with various parties, making Kampung Rendang products increasingly well-known. Always maintain the quality of Rendang and develop innovative products. It can be in terms of packaging or rendang durability. Maintain the quality of Rendang in terms of the use of Rendang ingredients and the cooking process. Parties such as the government can help bridge the gap between Rendang MSMEs actors and universities, for example, to research how to make Rendang products more durable. Then, the government continues to pay attention to Kampung Rendang MSMEs actors even though Payakumbuh has now become a city of rendang in general; 4) The existence of export potential that the Payakumbuh City Government always seeks for the rendang products it has. However, the current challenge comes from outside, as many rendang competitors have emerged outside Kampung Rendang in West Sumatra.

In Kampung Tenun MSMEs, the MSMEs also possesses social capital and has attempted to adopt digital technology. Additionally, the songket produced is of the highest quality. The manufacturing process adheres to traditional methods, which are carried out manually, resulting in better and more authentic outcomes. Additionally, the pattern of inheriting skills is also passed down from one generation to the next. In the development of Kampung Tenun MSMEs, there is also an opportunity because of the potential for cultural tourism in the Pandai Sikek area. Increasing the promotion of cultural tourism and implementing events that introduce Pandai Sikek products will attract many tourists to the area. Previously, the Tanah Datar Regency government had a program, namely the Nagari 1 event in 2022, which was held in conjunction with the Pandai Sikek Festival, focusing on songket. This event included a 1000 songket parade and a fashion show.

Referring to the analysis of Putri and Harahap (2025), the dynamics of digital transformation among heritage-based MSMEs cannot be separated from the structural tensions between the interests of modern capitalism and the efforts to preserve local values. Through the lens of conflict theory within social ecology, their study shows that the relationship between economic systems and sociocultural environments is always situated within a field of power struggle, where traditional MSME actors are often positioned vulnerably when confronted with the demands of an increasingly competitive digital market. These findings are highly relevant to the contexts of Kampung Rendang and Kampung Tenun, where digitalization pressures generate new challenges related to cultural commodification, shifting production patterns, and the risk of eroding local values. Consequently, the role of the government should not be viewed merely as a digital facilitator, but also as a balancing actor that must ensure digital transformation does not reinforce inequality but instead supports sociocultural sustainability through heritage protection, community capacity building, and equitable regulation. This social ecology perspective helps explain how competing interests, economic structures, and cultural values interact in shaping the transformation of traditional MSMEs in the digital era (Putri & Harahap, 2025)

To effectively implement the event, promotion is still necessary to attract a large number of visitors. Some promotions that can be suggested for carrying out include: 1) Collaboration with bloggers and influencers. They will be able to cover, review events, and post content, such as videos, photos, or stories, containing their experiences on the social media platforms they use. This will also help the promotion to introduce Nagari Pandai Sikek and Pandai Sikek songket, especially to their followers; 2) Inviting local mass media to cover events in Pandai Sikek. This will inform the public about events; 3) Having cultural events held in Pandai Sikek every year will attract visitors to Nagari Pandai Sikek. Cultural events can include fashion shows, songket exhibitions, weaving performances, songket history galleries, and songket exhibitions by Nagari Pandai Sikek; 4) Partnerships with other tourism actors such as hotels, tour and travel agents, and local tourist attractions to promote Nagari Pandai Sikek. Then, cooperate with hotels to include Pandai Sikek art products in their gift shops. Additionally, cooperation with local tourist attractions and hotels can be achieved by providing information about Nagari Pandai Sikek in brochures, information boards, or audio guides for related tourist attractions. 5) Maximize the use of social media and websites as a means of promoting Pandai Sikek weaving. This can be achieved by creating videos, photos, and audio content featuring interesting stories about Pandai Sikek Village, its history, and the traditional Pandai Sikek woven products.

At this time, the challenges for MSMEs Kampung Tenun actors are 1) The existence of similar products with relatively cheaper prices sold on the market; 2) Limitations in the use of songket for everyday clothing; 3) Many Pandai Sikek children have migrated for education and are looking for work. Thus threatening the inheritance of Pandai Sikek's weaving skills.

Integration of Social Capital and Digital Capital as New Capital: Hope for the Global Market

Hybrid capital combines social capital (including networks, norms, and trust) and digital capital (encompassing digital access and competence). This concept clarifies how actors who initially relied on local social networks to stay offline can utilise digital technology to expand their networks, access new markets, and strengthen their online presence without compromising their deeply rooted, distinctive norms and values. According to this study, MSMEs in Kampung Rendang Payakumbuh and Kampung Tenun Pandai Sikek have developed hybrid social-digital capital, enabling them to significantly expand their markets without compromising local trust and social connections. Their business is still built on the traditional social capital they rely on. Still, it is now reinforced with digital infrastructure that enables them to adjust and compete in the global market. Hybrid capital is a novel approach that is particularly relevant to the growth of community-based MSMEs in the digital age.

Rendang Payakumbuh MSMEs, for instance, have a social network of trust and conventions. Some networks rely on family ties to manage their businesses. This is done to facilitate collaboration, as it is believed that kinfolk will help preserve MSME secrets. Regarding product sales, this rendang business base was first operated offline and solely depended on collaboration with other MSMEs outside Kampung Rendang. MSMEs began embracing digital technology by utilizing digital capital, such as leveraging social media to sell products and expand their reach to a larger audience. Through the use of social media and e-commerce, MSMEs not only expand their networks but also build a digital reputation through testimonials, posts, and ratings. This digital reputation will foster trust among buyers and customers, as well as increase the trust of prospective resellers/distributors to cooperate. The integration of social and digital capital enables MSMEs, which initially relied on word-of-mouth recommendations for their products, to attract buyers both offline and online. Still, it also helps strengthen their local social capital, as their digital reputation increases trust in cooperating with MSMEs.

Likewise, the MSMEs of Kampung Tenun Pandai Sikek have special norms related to the pattern of inheritance of weaving culture. These norms are adhered to and also affect the networks and trust that are owned. For example, weaving children can only be recruited from Kampung Tenun Pandai Sikek, not from other areas. There are also traditional weaving practices that are typical of cukia, semi, and card weaving. Additionally, Kampung Tenun is situated in a steep topography. Although people are aware of the high-quality Pandai Sikek songket, not everyone knows that there are weaving galleries in Pandai Sikek Village that can be visited by utilizing digital capital to promote their Kampung Tenun and songket. This also expands the customer network outside their area. This concept is the uniqueness of MSMEs Kampung Rendang and Kampung Tenun, with the existence of specific values and norms, such as honesty and discipline in Kampung Rendang and Kampung Tenun, then also related to kinship relations that influence MSMEs actors in the pattern of cultural inheritance of weaving, influencing them in recruiting workers and building networks and trust. MSMEs, whose products are unique and traditional, such as Rendang and tenun, initially started offline; however, through digital technology, this network can be expanded globally, at least as a means of product promotion and to further increase sales.

As a traditional Minang food MSME actor, MSMEs Kampung Rendang Payakumbuh can use meal delivery services and social media to reach a wider audience. They can use digital technology to sell their items to farther-flung locations in addition to depending on close-knit local social capital (such as community word-of-mouth recommendations). When MSMEs start using online reviews, customer ratings, and e-commerce to enhance its credibility and reputation, they are bridging digital capital. Through online contacts, they expand their client base and establish digital trust, which enhances social capital in the digital sphere. However, due to structural and cultural limitations, MSMEs were unable to fully leverage their existing social capital and digital technological capital, which would have enabled them to expand internationally.

4. Conclusion

This study underscores the crucial role of the government in promoting the digitalization of heritage-based MSMEs in Kampung Rendang and Kampung Tenun Pandai Sikek. Through initiatives such as digital training, branding programs, and access to financial assistance, MSMEs have been able to enhance their marketing capacity and strengthen their competitiveness in the digital marketplace. Nevertheless, persistent challenges, including limited digital infrastructure, uneven technological literacy, and regulatory and cultural barriers, continue to hinder the optimal growth of these enterprises.

Theoretically, this research advances the understanding of social and digital capital integration by demonstrating how traditional communities utilize trust, social networks, and digital competence to sustain and expand their businesses in the digital era. The notion of hybrid capital introduced here contributes to

sociological discourse by explaining how cultural identity and technological adaptation coexist within local economic transformation.

Practically, the findings highlight the importance of developing inclusive digitalization strategies that respect cultural heritage while enabling market expansion. Policymakers should prioritize improving digital infrastructure in rural areas, increasing digital literacy through continuous education programs, and fostering collaboration among MSME actors, local governments, and the private sector. Supporting heritage-based business innovation not only enhances economic sustainability but also preserves Indonesia's cultural distinctiveness in the global digital economy.

In essence, by bridging tradition and digitalization, this study reveals that heritage-based MSMEs possess a unique form of resilience, one that blends social cohesion, cultural authenticity, and digital adaptability, offering valuable insights for both theory and policy in the context of Indonesia's evolving digital society.

5. Acknowledgements

The author would like to sincerely thank all parties who have supported this research. Special appreciation is extended to Universitas Andalas and Universitas Padjadjaran for their valuable assistance and academic support throughout the study.

6. Conflict of Interest

The author declares that there is no conflict of interest regarding the publication of this research.

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