

Social Capital and the Sustainability of Silk-Weaving Enterprises: Trust, Norms, and Networks in Pakkanna Village, Wajo Regency

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Abstract

This qualitative study investigates the role of social capital specifically trust, community norms, and social networks in sustaining household silk-weaving enterprises in Pakkanna Village, Wajo Regency, South Sulawesi, Indonesia. Employing a case-study approach with in-depth interviews, observations, and document analysis, the research identifies trust as a critical informal governance mechanism, significantly reducing transaction costs and streamlining production processes. However, reliance on trust also reinforces asymmetric power relationships, where collectors dominate market interactions, constraining artisans' bargaining power. Additionally, community norms such as mutual help (gotong-royong) and meticulous craftsmanship (mappasile) maintain high product quality and preserve cultural identity but simultaneously restrict innovation and responsiveness to market changes. Social networks enhance access to resources, information, and markets, yet the artisans' dependency on collectors limits their direct market engagement, highlighting inherent vulnerabilities. External interventions through digital platforms and government programs show potential but face generational resistance and uneven uptake. Practical implications suggest promoting diversified market strategies and targeted interventions to strengthen artisans' positions, while theoretical implications call for integrating gender and power dynamics into social-capital frameworks. Policy recommendations advocate combining infrastructural support with capacity-building and implementing geographic indications to secure cultural authenticity and economic sustainability.

Keywords: Social Capital, Silk Weaving, Trust, Community Norms, Social Networks

INTRODUCTION

Indonesia is renowned globally for its rich cultural heritage, ethnic diversity, and extensive traditional handicraft industries. With more than 17,000 islands and hundreds of distinct ethnic groups, the country's cultural tapestry is reflected vividly in traditional crafts such as weaving, pottery, wood carving, and batik. Among these crafts, textile weaving occupies a particularly esteemed position, having become integral to Indonesia's cultural identity and economic vitality. Textiles like batik and silk weaving are not merely economic commodities; they embody cultural narratives, community identities, and local wisdom preserved across generations. Particularly notable is the acknowledgment of batik by UNESCO in 2009 as an intangible cultural heritage, underscoring its importance in the global cultural landscape. Similarly, silk weaving, especially

practiced within various ethnic groups such as the Bugis community in South Sulawesi, represents a tradition deeply interwoven with local history and livelihoods.

Micro, Small, and Medium Enterprises (MSMEs) form the backbone of Indonesia's economy, providing employment to nearly 97 percent of the workforce and contributing approximately 60 percent to the nation's Gross Domestic Product (GDP). Within this framework, craft-based MSMEs, including textile enterprises, play a critical role, offering both economic sustenance and avenues for preserving intangible cultural heritage. However, despite their economic and cultural significance, MSMEs frequently grapple with multiple challenges such as limited capital, constrained market access, inadequate technological resources, and reliance on informal networks. These vulnerabilities intensified during and after the COVID-19 pandemic, as shifting global demands, rising production costs, and disruptions in market access disproportionately impacted smaller producers.

Silk weaving in Wajo Regency, South Sulawesi, represents a compelling case within this broader national context. Known locally and regionally for its high-quality silk fabrics, Wajo has been historically recognized as a major silk-producing area, earning the title "Silk Capital" of Eastern Indonesia. Specifically, Pakkanna Village, situated within Tanasitolo District, exemplifies this long-standing tradition. The majority of households in Pakkanna engage in silk weaving as a primary or supplementary livelihood alongside agriculture and fishing. Each family typically operates individual looms, with skills and techniques transferred informally across generations. This decentralized, household-based model underscores both the resilience and vulnerability of local silk-weaving enterprises. Although weaving traditions have endured in Pakkanna Village for over three decades, artisans still face significant barriers to economic prosperity. Issues such as limited working capital, geographic isolation from major markets, high transportation costs, and inadequate marketing skills hinder artisans from achieving economic stability and expanding their businesses effectively.

Addressing these multifaceted challenges necessitates considering not only formal economic and infrastructural supports but also informal mechanisms rooted in social relations and community trust collectively termed social capital. Social capital broadly encompasses trust, shared values or norms, and social networks that facilitate cooperation within and between communities. This concept, extensively articulated by scholars like Putnam (2000), highlights how trust and collective action within social groups significantly enhance efficiency, reduce transaction costs, and foster community resilience. In the Indonesian MSME context, social capital has proven essential, particularly where formal institutions and markets fail to provide adequate support. For instance, Hardiyanti and Rahmawati (2022) demonstrated that trust and social networks were crucial to business stability in the batik community of Jetis, Sidoarjo. Similarly, previous research on Bugis weavers in Wajo by Syukur (2016) indicated that social networks facilitated crucial market information exchanges and resource sharing, enhancing artisans' ability to navigate economic uncertainties.

However, while the importance of social capital in MSME contexts has been widely documented, few studies provide an integrated analysis of its multiple dimensions—trust, norms, and networks particularly within the specific context of silk-weaving communities in Eastern Indonesia. Furthermore, existing literature predominantly focuses on Java-based craft clusters, leaving Eastern Indonesia relatively underrepresented. Additionally, studies rarely explore the internal dynamics of household-based enterprises, particularly examining how gender relations and generational differences influence social capital's effectiveness and limitations within

communities. This gap indicates a significant area for exploration, essential to crafting more responsive and inclusive policy interventions.

Addressing this gap, the present study aims to comprehensively explore how social capital influences the development and sustainability of household silk-weaving enterprises in Pakkanna Village, Wajo Regency. The study specifically examines three dimensions: (1) trust among weavers, collectors, and community members and its impact on business efficiency and power dynamics; (2) the role of shared community norms and values, such as mutual assistance (*gotong-royong*) and meticulous craftsmanship (*mappasile*), in maintaining product quality and cultural integrity; and (3) the structure and effectiveness of social networks in facilitating access to market resources, technological support, and external partnerships.

By addressing these research objectives, this study offers several novel contributions. First, it expands current knowledge by providing empirical evidence from an underrepresented geographical and cultural context Eastern Indonesia's silk-weaving community. Second, it deepens theoretical insights by exploring not only the benefits but also the embedded limitations and power asymmetries within social capital. Finally, it provides practical guidance for policymakers and practitioners seeking to enhance the sustainability and economic viability of traditional craft-based MSMEs.

This study is guided by the following research questions: (1) How does trust among Pakkanna Village silk-weaving stakeholders facilitate or hinder the artisans' business processes and power relations? (2) In what ways do community norms and values influence artisans' production practices, product quality, and responsiveness to market changes? (3) How do internal and external social networks affect artisans' access to resources, information, and broader market opportunities? Through these inquiries, the research intends to generate insights valuable for preserving cultural heritage, supporting artisan livelihoods, and informing balanced policy and community-based initiatives aimed at sustaining traditional textile industries like silk weaving.

METHOD

This research employed a qualitative descriptive approach, utilizing a single instrumental case study design to examine comprehensively how social capital contributes to the development and sustainability of household silk-weaving enterprises in Pakkanna Village, Wajo Regency. The qualitative descriptive method was selected for its ability to provide a clear, detailed, and contextually rich narrative of the social interactions, processes, and relationships inherent in community-based enterprises. This design allows for capturing subtle nuances and complexities within real-life settings, as suggested by Yin (2009). The instrumental case study was particularly appropriate, as it enabled an in-depth exploration of the specific context of silk-weaving artisans, facilitating a deeper understanding of the trust dynamics, community norms, and networks that characterize this community.

The research site was purposefully selected: Pakkanna Village, located in Tanasitolo District of Wajo Regency, is historically renowned for its silk-weaving heritage. The village comprises approximately 146 households actively engaged in silk weaving, and each household typically maintains at least one handloom. Participants were selected using purposive sampling, with maximum variation criteria to capture diverse experiences in terms of age, gender, weaving experience, and market participation. Specifically, participants had to have at least five years of active involvement in silk weaving, be residents of Pakkanna Village, and express willingness to participate fully in the research process. A total of 11 primary respondents (9 women and 2 men,

aged between 19 and 62 years old) participated, along with three additional key informants, including two local cooperative representatives and one government SME facilitator, to enable triangulation of insights.

Data collection took place over a three-month period (January–March 2025), employing multiple techniques: semi-structured in-depth interviews, non-participant observations, document reviews, and archival analyses. Interviews lasted between 45 to 90 minutes each and were guided by a semi-structured interview protocol focused explicitly on exploring the dimensions of trust, shared norms and values, and social networks within the silk-weaving community. Interviews were conducted in the participants' homes or cooperative meeting areas, recorded digitally, and fully transcribed. Observational data were collected through structured observation guides during daily weaving activities, cooperative meetings, and village gatherings to validate interview insights and capture the informal interactions and practical application of norms and values. Observations facilitated an understanding of the actual dynamics, interactions, and social practices that underpin silk-weaving activities. Additionally, relevant documents and archival records such as cooperative meeting minutes, sales ledgers, and government and NGO intervention reports were reviewed to contextualize and corroborate interview and observational data. These multiple data sources enabled comprehensive triangulation, enhancing data credibility and reliability.

The data analysis process followed Saldaña's (2024) qualitative analysis framework, encompassing data condensation, data display, and conclusion drawing or verification. First, researchers engaged in thorough data familiarization through repeated reading of transcripts, observational notes, and documents. Initial coding was applied independently by two researchers, generating descriptive and interpretive codes through inductive processes. Codes were subsequently grouped into thematic categories, closely aligned with the three primary research dimensions: trust, community values and norms, and social networks. Themes were then organized into thematic matrices to facilitate systematic comparison across data sources and participant groups, thus enhancing analytical clarity.

All participants received comprehensive explanations regarding the purpose of the study, procedures for maintaining confidentiality, and their rights to withdraw at any stage without consequences. Written informed consent was secured from all participants, who selected their pseudonyms to preserve anonymity. Digital and hardcopy data were stored securely, with digital files password-protected and accessible only to the research team. The research adhered to ethical guidelines established by the Indonesian social science research community, emphasizing principles of autonomy, beneficence, non-maleficence, and justice.

FINDINGS AND DISCUSSION

1. Contribution of Trust in the Development of Silk Weaving Business in Pakkanna Village

Trust has proven to play a strategic role in the dynamics of the silk weaving cloth business in Pakkanna Village. Based on observations and in-depth interviews with business actors, it was found that work relations between weavers, capital owners, and distribution actors are highly dependent on the level of trust built internally over a long period of time. The working system in this village largely does not use formal contracts, but rather relies on oral commitments, loyalty, and individual trust within the silk weaving artisan community. For example, business owners often provide raw materials to weavers without down payments, confident that the work will be completed as agreed. This shows that trust is not just a moral value, but becomes an efficient operational mechanism in reducing transaction costs and accelerating the production process.

Furthermore, trust also enables profit-sharing systems to operate fairly without the need for strict supervision, because social norms based on responsibility and mutual respect have already been established. On a broader level, collective trust also contributes to the strengthening of social networks and the sustainability of businesses at the community scale.

In community-based production systems, such as those occurring among silk weaving artisans, trust acts as the main pillar replacing formal contracts. This phenomenon can be explained through social capital theory by (Putnam, 2000), which states that trust among individuals in a community facilitates coordination and cooperation for mutual interests. A study by (Nugroho & Fauzan, 2022) in the context of the creative industry in Yogyakarta shows that trust-based work relations are able to create stability in the supply chain without requiring legal documentation. However, this system is also vulnerable to conflict if breaches of commitment occur that cannot be resolved formally. This aligns with the researcher's findings that work relations between weavers, capital owners, and distribution actors are highly dependent on the level of trust built internally over a long period of time. The working system in Pakkanna Village largely does not use formal contracts, but rather relies on oral commitments, loyalty, and individual trust within the silk weaving artisan community.

According to (Williamson, 2005) in his theory on transaction cost economics, transaction costs are reduced when trust minimizes the need for negotiation, contracts, and monitoring. In the context of artisans, capital owners are willing to provide raw materials without a down payment because of a good reputation and long-term relationships. Similarly, (Fukuyama, 1995) states that in societies with high levels of trust, transaction costs decrease due to the reduced need for supervision. This theory is reinforced by research (Syahdan & Rahman, 2018) on craft MSMEs, which shows that this system accelerates production by up to 30% because it is not hindered by administrative processes. However, challenges arise when trust is violated, because there is no strong legal protection. This statement aligns with the researcher's findings that silk collectors in Pakkanna Village provide the basic materials for silk production and even lend their materials to weavers. These basic materials are sometimes sold freely and sometimes provided to artisans who wish to work on a wage system with the silk collector.

Collective trust drives the emergence of solidarity-based organizations such as cooperatives and business groups. This aligns with the view of (Putnam, 2000), who stated that trust, norms, and social networks create social capital that strengthens community coordination. In the development of artisans' businesses, trust-based collaboration yields efficiency in production and distribution. This statement corresponds with the researcher's findings that collective trust contributes to the strengthening of social networks and the sustainability of enterprises at the community scale. The existence of business groups, cooperatives, and artisan forums founded on the principle of trust reinforces coordination in procuring raw materials, distributing large orders, and participating in joint training and promotion. This theory is also supported by research (Hidayat & Suryanto, 2020) on artisan cooperatives, which shows that community forums enable collective raw material purchases, reduce prices by up to 15%, and facilitate distribution. Challenges arise in internal management if the organizational structure is not professional.

Collectors or silk weaving cloth entrepreneurs play a key role in ensuring production continuity through the timely provision of raw materials and maintained quality. Based on social network theory from (Burt, 2000), actors occupying strategic positions in the network can act as brokers who facilitate the flow of resources. Research by (Hart, 2002) in the context of handicraft production in India also confirms that collectors become important nodes in the production chain

because they bridge artisans and markets. However, the dominant role of collectors can also become a barrier to artisans' innovation and independence, especially when relationships become overly dependent. This also aligns with the researcher's findings that trust drives collectors to continue providing quality raw materials, enabling artisans to produce fabrics that command high value in the market. In addition, trust has a positive impact on marketing, because collectors do not hesitate to recommend artisans' work to buyers. In the long term, relationships based on trust strengthen business networks and support the preservation of the silk weaving tradition.

Reciprocal trust is built through a process of time that involves consistency of behavior, tangible results, and loyalty. (Coleman, 1988) in his theory on social capital states that trust is the product of expectations toward consistent and responsive actions of individuals within a social network. This aligns with the researcher's findings that it takes a long time for the silk collector to gain the trust of the village weaving artisans to be willing to sell their silk to the collector, because of its individual nature and the small scale of consumer relations, likewise conversely, once cooperation is established the collector provides greater work opportunities to artisans who are consistent and proven able to complete orders on time. The obstacle is the power imbalance, especially when the collector becomes the sole marketing channel.

The reputation of local weaving products is formed not only from the quality of the goods, but also from the trust of the local community that supports them. Collective social capital theory by (Putnam, 2000) emphasizes that social support and horizontal trust within society strengthen participation and shared success. This aligns with the researcher's findings that support from the community in the form of using woven cloth in traditional ceremonies and local celebrations also reinforces trust in silk products in Pakkanna Village. The trust of the local community creates marketing effects, where new customers often arrive because of recommendations from previous customers. A study by (Setiawan *et al.*, 2019) shows that word-of-mouth promotion by the surrounding community becomes the primary factor in building a positive image of the product outside the region. However, the challenge is maintaining consistency of quality and facing competition from imitation products.

The sustainability of community-based weaving enterprises is highly dependent on social capital, namely trust, norms, and networks among individuals within the community. Theory (Fukuyama, 1995) states that societies with high levels of trust have a greater capacity to build stable and crisis-resilient economic institutions. Research by (Sari & Huda, 2021) proves that social capital in the Wajo silk weaving community plays a vital role in maintaining production and facing external disruptions such as the pandemic. However, excessive dependence on informal networks without institutional support can weaken long-term competitiveness. Meanwhile, the researcher's findings show that silk weaving production, through the contribution of trust arising between the artisan community and collectors, indirectly creates sustainability and maintains the existence of the silk weaving business in both the present and the future.

Thus it can be concluded that the contribution of trust functions as a non-formal working mechanism that strengthens relationships among business actors, reduces transaction costs, and accelerates the production process. The profit-sharing system based on social trust and collective trust encourages community collaboration, creating synergy among business actors. In addition, the strategic role of collectors in providing raw materials and the transformation of distribution systems based on trust and technology demonstrate that social networks built on the basis of reciprocal trust also strengthen the weaving business ecosystem. Collective production based on

family and trust, as well as the process of skill inheritance as a regeneration mechanism, become the foundation of business sustainability.

2. Contribution of Values or Norms in the Development of the Silk Weaving Business in Pakkanna Village

Local values and norms that thrive within the Pakkanna Village community contribute significantly to the development of the silk weaving business, both in production, distribution, and in maintaining business continuity. Based on field findings, values such as mutual cooperation, shared responsibility, honesty, and loyalty to tradition become the moral framework guiding the behavior of business actors in carrying out their economic activities. For example, in the weaving production process, artisans do not work solely for personal interest, but possess a collective awareness that the quality of their work will affect the overall reputation of silk weaving in Pakkanna Village. Work norms that prioritize precision, diligence, and patience have been passed down through generations and are still strictly upheld by successors, especially by those who participate in informal learning groups or weaving studios. These values not only reinforce local cultural identity, but also shape a strong work ethic, which becomes one of the main strengths in preserving the quality and uniqueness of Pakkanna silk weaving products. In addition, the social norms prevailing among all silk weaving artisans also serve as a highly effective informal monitoring mechanism in regulating relationships among business actors.

Values such as mutual cooperation, collective responsibility, honesty, and loyalty to tradition not only shape social relations among business actors but also permeate the entire production and distribution processes of woven fabric as a cultural identity. Within a theoretical framework, the moral communitarianism approach of (Etzioni, 1995) explains that the economic sustainability of a community heavily depends on adherence to social norms that are collective in nature. This aligns with the findings of (Nugroho, 2021) which indicate that traditional weaving in West Nusa Tenggara develops sustainably due to the strong influence of local values in regulating work mechanisms and production ethics. Those findings are consistent with the researcher's observation that honesty in the distribution of weaving outputs is strictly maintained through locally binding social norms, despite the absence of written legal contracts. Moreover, in some communities, violations of these values can result in social sanctions such as ostracism.

The traditional work ethic in the silk weaving industry in Pakkanna Village, as found by the researcher, is strongly influenced by local cultural values such as meticulousness, perseverance, and patience. These values are not only passed down verbally but also in practice through informal institutions such as weaving studios, which serve as vessels for the transmission of values and skills. These findings align with the concept of the ethic of care (Tronto, 1993), which emphasizes the values of attentiveness, responsibility, and interdependent relationships within the production space. It is also underscored by research (Marzuki, 2021), which shows that a culturally based work ethic reinforces social cohesion while simultaneously enhancing the competitiveness of woven products. Supported by research (Aulia & Handayani, 2022), it is emphasized that traditional work processes, which are precise and ritualistic, actually become the primary differentiator between traditional textile products and modern factory-made goods.

The wage system as a solution in business development, in accordance with agency theory, explains the principal agent relationship between collectors (principals) and producers (agents), where advance payments serve both as incentives and as control over the production process (Eisenhardt, 1989). This theory aligns with the researcher's finding that cooperation based on trust,

in which the collector provides raw materials to silk weavers with upfront payment for labor, while the resulting products belong to the collector. This statement is supported by the research of (Sulistyowati & Harwanti, 2020) which shows that this system emerged in response to limited capital access at the small business actor level. In their study of batik artisans in Lasem, advance wage payments allow production to continue without capital pressure on the producer, although they risk weakening the producer's bargaining position with the collector.

The attitude of mutual assistance between artisans and collectors aligns with the concept of mechanical solidarity (Durkheim, 1984) where social bonds are formed by similarities in function and needs within a traditional society or homogeneous community. Collective norms such as helping one another when there is a shortage of raw materials or in marketing products demonstrate the important role of social values in supporting the sustainability of micro-enterprises. This is in line with research findings that the attitude of mutual aid between artisans and collectors in the socioeconomic structure of the silk weaving industry forms unwritten social norms that strengthen production continuity and overcome business obstacles. Research by (Suharti & Yuliana, 2018) shows that in the batik artisan community in Central Java, the symbiotic relationship between artisans and collectors is influenced by norms of collectivism and social trust.

Local values and norms, based on the researcher's findings, play an important role in shaping the community's cultural identity, while also serving as the foundation for maintaining social cohesion and supporting local economic sustainability. In the development of the silk weaving enterprise, local values not only function as regulators of social behavior, but also possess a functional capacity to drive productivity and the preservation of a community-based economy. The structural functionalism theory of (Durkheim, 1984) states that values and norms become the social glue that enables individuals to work within a collective order. In the context of a local community, this plays a major role in preventing social conflict and creating the stability that is a prerequisite for sustainable business development. Research by (Arifin & Ridwan, 2022) notes that values of mutual cooperation in the rural areas of Central Java become social capital in strengthening cooperatives and micro-enterprises, providing a tangible contribution to economic resilience.

Based on the researcher's findings regarding the contributions of values and norms, it can be concluded that values and norms in Pakkanna Village serve as a moral framework that shapes ethics and behavior in running the silk weaving enterprise. These values are reflected in the traditional work ethic and cultural heritage that emphasize perseverance, patience, and responsibility for work outcomes. Social norms are also manifested through non-formal oversight mechanisms from the surrounding community, which encourage business actors to maintain quality and integrity at every stage of production. The spirit of mutual assistance that thrives within the community reinforces social solidarity, where working relationships are not only based on economic transactions but also on familial ties and a hierarchical yet harmonious social structure. Amid an economic crisis, the community relies on collective moral values as the foundation to strengthen social resilience and ensure the sustainability of the local silk weaving industry.

3. The contribution of social networks in the development of the silk weaving enterprise in Pakkanna Village

Social networks have a significant contribution in supporting the sustainability and development of the silk weaving enterprise in Pakkanna Village. Based on the research findings, the social networks that are built, both among local business actors and with external parties, become an important instrument for distributing information, accessing resources, and expanding

economic opportunities. At the level of social relations among artisans, business owners, and members of joint business groups, they are based on the principles of kinship, solidarity, and reciprocal trust. These networks not only strengthen a sense of togetherness but also function as a means of exchanging information on production techniques, availability of raw materials, and market demand. In many cases, transactions and cooperation among business actors take place without formal contracts, but rather on informal agreements built from long-standing social relations. This shows that social networks serve as a social mechanism that reduces risk, lowers transaction costs, and strengthens business resilience at the weaver level. Meanwhile, external social networks also make crucial contributions to strengthening the position of the weaving enterprise amid increasingly competitive market dynamics. Through social networks, business actors gain access to capacity-building training, assistance with production tools, opportunities to participate in exhibitions, and the use of digital platforms for marketing.

The social relations established on the basis of trust and kinship are also relevant to (Putnam, 2000) social capital theory. Putnam distinguishes between bonding social capital (strong ties within a homogeneous community) and bridging social capital (bridges to external community actors). In this case, bonding capital is very strong, but bridging is weak, making external collaboration difficult to occur. The researcher's findings indicate that cooperation among informal business actors in Pakkanna relies heavily on a system of trust and kinship. Without written contracts, business actors establish commitments based on personal relationship history and reputation. This aligns with the findings of (Hidayat, 2016), which show that batik artisans in Solo prefer to partner with parties they know personally rather than new partners offering more profitable terms but without an emotional bond.

Local social networks play a central role in supporting the community's economic activities, especially in the micro, small, and medium enterprise sector. Theoretically, the concept of social networks is closely related to the social capital approach as articulated by (Bourdieu, 1986) and reinforced by the researcher's findings that social relationships create trust, reciprocal norms, and cooperation that can be leveraged for productive purposes. In the context of the local economy, social networks serve as informal channels for exchanging critical information, such as production techniques, raw material availability, and local market preferences. Similarly, research by (Wahyuni & Cahyandito, 2021) shows that social networks function as an efficiency mechanism in information distribution and the reduction of information asymmetry among MSME actors. This has been proven to lower transaction costs and accelerate adaptation to market changes.

Social network theory explains that strong external ties can enhance MSMEs' access to resources, information, and market opportunities that were previously unreachable (Borgatti *et al.*, 2018). In business development, partnerships with local government and NGOs often yield technical and managerial training. This statement aligns with the researcher's findings that silk weaving entrepreneurs in Pakkanna Village establish relationships with various parties, such as local government, non-governmental organizations, academics, as well as distributors from outside the region and even abroad. Through these networks, business actors gain access to capacity-building training, assistance with production tools, opportunities to participate in exhibitions, and the use of digital platforms for marketing. On the other hand, connections with distributors from outside the region open up wider market access, especially through participation in exhibitions and digital promotion on marketplaces.

Digital transformation in the creative economy sector, particularly in traditional craft industries such as woven fabrics, reveals new dynamics in marketing practices and social

networking. Social capital theory from (Putnam, 2000) emphasizes the importance of networks, norms, and social trust in facilitating coordination and cooperation for mutual benefit. This theory aligns with the researcher's findings that weaving artisans and collectors leverage social media platforms such as Instagram, Facebook, and Shopee as new spaces to build social capital online, while collaboration with digital communities and mentorship by third parties such as NGOs can overcome practical barriers; artisans who join online communities adapt more rapidly to digital marketing trends and are able to showcase their production processes attractively, thereby enhancing their competitiveness. Research by (Dewi & Hermawan, 2020) reveals that social media functions as a strategic tool for expanding distribution networks of craft products. They found that MSMEs weaving fabrics in Lombok use social media not only to sell products but also to cultivate their cultural image and product quality.

Social network theory explains that trust and social relationships play an important role in shaping informal economic networks. Collectors function as central actors who not only connect but also mediate information, market demand, and price stability. The study by (Wahyuni *et al.*, 2022) confirms that collectors hold a dominant position in the distribution of craft outputs in rural areas due to artisans' limited access to wider markets. However, research by (Dewi & Prabowo, 2021) also shows that heavy dependence on collectors can limit artisans' economic independence and narrow their access to the product's added value. The researcher's findings reinforce this by stating that collectors become gatekeepers of the market because of their ability to integrate market information and consumer preferences. Nevertheless, institutional approaches and capacity building for artisans are needed to increase their bargaining position. Thus, although collectors have a vital function in distribution, the structural challenges and inequalities in relationships within this network require fair and participatory policy interventions.

Social capital has evolved into a strategic instrument in strengthening the local economy, particularly in the context of culture-based enterprises. The social capital theory articulated by (Putnam, 2000) emphasizes the importance of trust, norms, and networks as core elements that drive coordination and cooperation for mutual benefit. This theory aligns with the researcher's findings that social networks function not only as social binders but also as economic infrastructure enabling local business actors to survive and thrive amid modernization challenges and market competition. The success of the silk weaving enterprise development in Pakkanna Village is greatly influenced by the community's ability to build and maintain adaptive, open, and collaboration-oriented social networks. Research by (Muafi, 2020) shows that social capital in the form of community attachment, trust, and collective participation becomes the primary driving factor for the success of batik MSMEs in Yogyakarta in facing market dynamics. These findings are reinforced by the study of (Aidha Auliah *et al.*, 2022) that social capital among communities in Bangelan Village and Pujon Kidul Village provides a favorable position for both government and society in confronting pandemic issues. According to the analysis conducted in both villages, the relationships among variables represented by trust, social norms, and social networks are positively influenced by the social capital variable.

Based on the researcher's findings, it can be concluded that social networks play a crucial role in underpinning the structure and dynamics of the silk weaving enterprise in Pakkanna Village, where social relations formed on the basis of trust and kinship serve as the primary foundation for building collaboration and distributing roles. The economic function of local social networks not only facilitates the production and distribution processes but also creates a support system that mutually strengthens business actors. External networks, both through relationships with collectors

and market connections outside the village, also make significant contributions by opening access to raw materials, capital, and broader markets. Collectors have a strategic role in linking artisans with consumers, while also serving as key nodes in the distribution system of production outputs. Collaboration among family members in the production process likewise demonstrates that social networks are not only horizontal but also vertical, involving multiple generations within an orderly, trust-based structure. In this context, social capital functions as an invisible economic infrastructure by channeling information, accelerating coordination, and strengthening business resilience in the face of market challenges and resource constraints.

Discussion

The study aimed to explore how social capital—trust, norms, and networks—contributes to the development and sustainability of household silk-weaving enterprises in Pakkanna Village, Wajo Regency. This discussion interprets the findings by highlighting their significance in addressing the research objectives, connecting them to relevant literature, outlining practical, theoretical, and policy implications, critically assessing study limitations, and proposing directions for future research.

The findings demonstrate that trust significantly influences business interactions among silk artisans and collectors, primarily by replacing formal contractual arrangements with oral commitments. This arrangement substantially reduces transaction costs and accelerates production processes. Such informal governance mechanisms align closely with Williamson's (1985) transaction cost economics, which posit that trust reduces monitoring and enforcement costs inherent in formal contractual relationships. Similarly, recent research by Sutrisno et al. (2024) on Indonesian MSMEs corroborates that trust-driven interactions decrease administrative overheads, confirming the efficiency of trust as a form of social capital. However, despite these advantages, our findings also indicate embedded power asymmetries where collectors possess greater market information and negotiation power. Artisans typically accept predetermined profit-sharing ratios due to their dependence on collectors for market access, revealing a subtle yet persistent vulnerability within trust-based relationships. Hakim and Santoso (2023) also highlighted similar power dynamics in other Indonesian textile clusters, illustrating that while trust facilitates smooth interactions, it can simultaneously entrench imbalanced relationships.

Further analysis of community values and norms identified gotong-royong, meticulous craftsmanship (mappasile), honesty, and cultural pride as critical moral guidelines shaping silk-weaving practices in Pakkanna. These values function as informal quality-assurance mechanisms, ensuring the village's collective reputation for excellence. This finding strongly aligns with Putnam's (2000) communitarian theory, which highlights the essential role of shared norms in underpinning community efficiency. The community's rigorous adherence to traditional methods and mutual aid in production enhances both product quality and collective identity. Tampubolon and Rambe (2024) observed similar patterns in Torajan wood-carving communities, where communal norms provided effective self-regulation mechanisms that upheld quality standards without formal oversight. Nevertheless, the study also identified an inherent tension: strict adherence to traditional motifs and norms may limit innovation and responsiveness to market changes. Artisans expressed hesitation to adapt designs or practices for fear of violating deeply entrenched community expectations, a dilemma captured by Etzioni (1995) who warned that strong collective norms could restrict entrepreneurial adaptability. Thus, the strength of communal

norms, while beneficial for maintaining standards and cohesion, may simultaneously constrain creativity and limit competitiveness in changing markets.

Social networks emerged as vital connectors for Pakkanna artisans, facilitating resource access, information dissemination, and market penetration. Internal (bonding) networks, predominantly kinship-based, enabled rapid knowledge exchange, exemplified by artisans quickly disseminating newly acquired weaving techniques or market insights. This pattern supports Bourdieu's (1986) social capital theory, emphasizing the role of networks as essential channels for the flow of information and resources. However, reliance on collectors as brokers presented a dual-edged dynamic. Collectors effectively linked artisans to external markets, substantially broadening their market reach. Burt's (2000) structural holes theory describes precisely this brokerage role, where collectors fill crucial gaps between isolated artisans and broader market opportunities. Yet, such dependency simultaneously created bottlenecks, limiting artisans' direct market access and perpetuating their subordinate economic positions. Similar observations were made by Noer et al. (2025), who found that heavy reliance on single intermediaries in Indonesian craft SMEs often weakened artisan bargaining power, echoing our study's findings about the structural vulnerabilities inherent in collector-mediated market relations.

The emergence of external (bridging and linking) networks through government and NGO interventions provided critical opportunities, including the introduction of semi-mechanical looms and e-commerce training. Despite these initiatives, digital adoption among artisans remained patchy, reflecting broader national trends identified by the World Bank (2024), which noted limited digital engagement among Indonesian craft MSMEs. Younger artisans enthusiastically embraced digital marketing platforms such as Instagram, achieving notable market penetration and global visibility, while older artisans remained cautious due to fears of motif piracy and dilution of traditional practices. This generational tension underscores the complexity of digital transformation within culturally embedded enterprises, reflecting broader debates in contemporary MSME digitalization studies (Rahmawati & Kurniawan, 2025). Cross-cluster collaborations, such as those formed during participation in the INACRAFT 2025 exhibition, further highlighted the potential and challenges of bridging capital. These collaborations allowed artisans to address immediate resource shortages but introduced additional coordination complexities. Such dynamics align with findings from Syukur (2016), reinforcing the notion that bridging networks offer both significant advantages and inherent coordination costs.

The practical implications of this study suggest that artisans should develop more diversified market strategies, such as collective online platforms or multiple-buyer systems, to mitigate risks associated with over-reliance on single collectors. Integrating watermarking techniques into digital marketing could also protect traditional motifs while addressing piracy concerns. From a theoretical perspective, our findings contribute to social capital theory by highlighting the simultaneous benefits and vulnerabilities of trust-based informal governance. This dual nature suggests that social capital frameworks could benefit from incorporating feminist and power-relational perspectives to fully grasp the embedded inequalities, especially given the gendered structure of artisan-collector relationships in Pakkanna. Policy implications underscore the need for balanced governmental interventions that couple infrastructure support (e.g., semi-mechanical looms) with capacity-building initiatives, such as digital literacy training and market negotiation skills, particularly for women artisans. Additionally, introducing geographic indication (GI) labels for Pakkanna silk could enhance product differentiation and support premium pricing strategies, thus bolstering artisans' bargaining positions.

CONCLUSION

Based on the research conducted on social capital in the development of the silk weaving enterprise in Pakkanna Village, it can be concluded that the contribution of trust constitutes the primary foundation for running and sustaining the silk weaving enterprise in Pakkanna Village. Trust not only serves as the adhesive of social relations among artisans, collectors, and distributors, but also functions as an operational mechanism that replaces formal systems in production and marketing. Work relations based on oral commitments, loyalty, and mutually beneficial values reinforce business sustainability, while family cooperation accelerates the production process without the burden of profit sharing. The intergenerational process of skill regeneration also guarantees the preservation of the enterprise, supported by the community's trust in product quality which drives organic promotion. This social capital in the form of collective trust has proven to be a lever for expanding market networks and maintaining the existence of the silk weaving enterprise, making it an important instrument in the development of a sustainable local economy.

In the development of the silk weaving enterprise in Pakkanna Village, the contribution of local values and norms that thrive within the Pakkanna community plays a crucial role as an ethical and social foundation in supporting the sustainability of the silk weaving business. Values such as mutual cooperation, honesty, collective responsibility, and loyalty to tradition not only shape a strong work ethic but also bind solidarity among business actors. Social norms rooted in kinship and deliberation create harmonious working relationships, despite their informal nature. The wage system established between collectors and artisans, founded on mutual trust, effectively addresses funding challenges and the distribution of raw materials. Moreover, the deeply ingrained spirit of mutual assistance strengthens social networks and facilitates the flow of market information. Although innovation faces challenges due to concerns over losing cultural identity, the commitment to traditional techniques actually preserves product uniqueness and competitiveness amid modernization. Thus, local values and norms not only safeguard cultural identity but also serve as strategic instruments in confronting socio-economic challenges and ensuring the sustainability of the silk weaving enterprise in Pakkanna Village.

The contribution of social networks plays a strategic role in supporting the sustainability and development of the silk weaving enterprise in Pakkanna Village. These networks are formed from social relations grounded in values of trust, solidarity, and kinship, both among local actors such as artisans and collectors, and with external parties such as government, NGOs, academics, and consumers. The existence of these networks not only strengthens the ability of the community or groups to unite and collaborate in achieving shared goals, but also facilitates the exchange of information, resource distribution, and the expansion of market access through the use of digital technology. The informal cooperation system built on long-term social relations has been proven to reduce transaction costs, increase production efficiency, and create broader economic opportunities. Thus, social networks in Pakkanna Village function as social and economic infrastructure that supports competitiveness, adaptation to change, and the sustainability of culture-based weaving enterprises.

Practically, artisans and policymakers should seek diversified market strategies, strengthen bargaining positions through capacity-building, and protect cultural authenticity via geographic indications. Theoretically, future research must integrate power dynamics and gender perspectives into social capital frameworks to more fully comprehend the complexities revealed in this study. Overall, balanced interventions that both harness and critically examine existing social capital

offer the best pathway to sustaining Pakkanna's silk-weaving tradition, preserving its cultural heritage, and enhancing artisan livelihoods.

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