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Establishing Technological Innovation in MSMEs For Sustainable Finance: The philosophy paradigm of Indonesia

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Abstract

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This study explores how financial technology (fintech) can be developed and positioned within Micro, Small, and Medium Enterprises (MSMEs) in Indonesia to support sustainable finance through a philosophical and ethical lens. The core problems addressed include unequal access to finance, the capitalist bias in technological innovation, and the lack of ethical integration in fintech development. The study aims to bridge conceptual gaps between technological innovation, ethical finance, and inclusive development. Employing a qualitative research design grounded in interpretivism and constructivism, the research integrates philosophical inquiry with literature-based analysis. Phenomenological and grounded theory approaches are used to examine ethical, behavioral, and Islamic perspectives on fintech usage among MSMEs. The findings reveal that while fintech has the potential to democratize access

to finance and accelerate digital innovation, its effectiveness relies on alignment with core values such as trust, justice, transparency, and sustainability. Sharia-compliant fintech models provide an ethical alternative to conventional systems but require regulatory, infrastructural, and cultural support. The study emphasizes the need for fintech solutions that empower rather than exploit and that place human dignity and ethical responsibility at the heart of innovation. This research is among the few to examine fintech adoption among MSMEs from a philosophical perspective, combining postmodern, Islamic economic, and behavioral finance viewpoints. It offers a conceptual framework for humanizing fintech and provides ethical guidance for policymakers and innovators working toward inclusive and sustainable financial ecosystems.

Abstrak

Kata Kunci:

Fintech, Keuangan
berkelanjutan,
Etika, Inovasi
digital,

Penelitian ini mengkaji bagaimana teknologi finansial (fintech) dapat dikembangkan dan diposisikan dalam Usaha Mikro, Kecil, dan Menengah (UMKM) di Indonesia guna mendukung keuangan berkelanjutan melalui pendekatan filosofis dan etis. Permasalahan utama yang diangkat adalah ketimpangan akses keuangan, bias kapitalistik dalam inovasi teknologi, serta kurangnya integrasi nilai-nilai etika dalam pengembangan fintech. Tujuan dari studi ini adalah menjembatani kesenjangan antara inovasi teknologi, keuangan etis, dan pembangunan inklusif. Dengan pendekatan kualitatif berparadigma interpretivisme dan konstruktivisme, penelitian ini memadukan kajian literatur dengan penyelidikan filosofis menggunakan pendekatan fenomenologi dan teori dasar (grounded theory) untuk memahami perspektif etika, perilaku, dan agama (Islam) terhadap penggunaan fintech di kalangan UMKM. Hasil penelitian menunjukkan bahwa fintech berpotensi mendemokratisasi akses keuangan dan mempercepat inovasi digital, namun efektivitasnya sangat bergantung pada kesesuaian dengan nilai-nilai seperti kepercayaan, keadilan, transparansi, dan keberlanjutan. Model fintech berbasis syariah menawarkan alternatif etis terhadap sistem konvensional, tetapi memerlukan dukungan regulasi, infrastruktur, dan budaya. Studi ini menekankan pentingnya solusi fintech yang memberdayakan, bukan mengeksploitasi, serta menempatkan martabat manusia dan tanggung jawab etis sebagai inti dari inovasi. Kontribusi utama riset ini adalah penyusunan kerangka konseptual untuk memanusiakan fintech, serta panduan etis bagi para pembuat kebijakan dan inovator dalam menciptakan ekosistem keuangan yang inklusif dan berkelanjutan, dengan memadukan perspektif pascamodern, ekonomi Islam, dan perilaku keuangan.

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Introduction

The continuity of global financial technology (fintech) and technology development has changed the face of the nation's economy through the growth of Micro, Small, and Medium Enterprises (MSMEs) sector, especially in accessibility, efficiency, and inclusion. But many MSMEs still face challenges from a philosophical, structural, and ethical standpoint when it comes to making sense of this innovation, even as their daily lives become more and more digitalized. This study seeks to examine how the philosophical and ethical paradigms of fintech can be shaped to be empowering for MSMEs (Micro, Small and Medium Enterprises) and support sustainable finance in Indonesia. Referring to ongoing discourse that takes into account technological innovation, economic inclusion, and humanistic values, this article contributes in that it proposes a conceptual framework for how philosophical grounding should occur when it comes to the development of fintech pay particular attention to the experience of creativity and consumer behavior, and to the way that such start-ups uniquely create tech that employees of these companies experience and think that. There may here be opportunities for changes in organization behavior (or not) how stakeholders view and directly respond to a company's PR challenge is a function of how they frame their own angle of that experience, but it may also come with challenges. However, this fintech is built with regard to: Payments, clearing, online payments, deposits, market providers and both risk management and investment, but those build up Egypt's new business (Suryono et al., 2020).

Fintech in Kootenay mp4 fintech is the use of technology to provide financial products and services, on the one hand to the financial services industry through technologies that help to enable the industry on the other hand to help consumers and businesses deal with the financial services industry; Example: Credit, payments, Loans, investment, insurance, financing, debt negotiation, foreign exchange and multi services (Gomber et al., 2017; and Mainardes & Freitas, 2023). The "universal laws" that, one would hope, such

“compendium” can only come about through experience, would describe, or, better stated, predict human behavior with really no gambit space for individual experiences and actions. As a result, humanistic geography focuses on situational, conditions and experiences arising from knowledge construction from existing knowledge.

This rear the trend of how the use of fintech is mustered to underpin industry studies on development paradigms that is critically significant to address the risk and sustainability of financial new technologies. This acceptable, explicit and up-to-date way of looking at theology allowed the author to generalize parts of both philosophical knowledge and a research paradigm, all to reach his goal. In the market, social interaction is performed through obfuscation; firms are breaking the concept of conventional constraints with regards to pandemic occurrence, vagueness, limitation, monetary, environmental, moral, social and technical outcomes and enterprise in the emerging markets. Universities originated with philosophy. As belief systems, empiricism and rationalism are respectively errors with respect as understanding as errors with respect. Therefore, in the 4.0 transformation era, startups must be independent through innovations so that their business can still grow. Then patterns and amalgams were created, followed by fusions into data analysis, summary style development where possible and eventually summarized pattern summary trend of the market and consumer behavior were created. Web literacy and prediction skills are powerful and proliferative, but they are learned the hard way. How much or less technology changed the behavior of producers and consumers (Ahn and Lee, 2019 and Veloutsou and McAlonan, 2012).

Handing down that knowledge of National Development is a continuous and permanent process of structural reform in technical terms. It is the scenario where everything has jobs, (full employment), everyone has the same skills, everything is equally accessible (equal opportunity) and each actor is rational (i.e., sound), no caveats. Thus, the economic opportunity is consumed in terms of

employment opportunity in the majority owned micro small and medium (MSME) sector by the struggling and working poor-people, and a significant percentage of the Indonesian economy currently digested. In the same month, the Indonesian Bank Restructuring Agency (IBRA) published a report that said most start-ups were vulnerable and reliant on financing but that they would need government assistance. This myth suggests that government efforts to improve the economy will benefit both the impoverished and the national economy.

Since any intervention to mitigate possible mismatch of supply and demand of microfinance product and services will not place any burden on the state, it is recommended a multi-pronged strategic approach in of multi-dimensional strategy. This is without access to funding from formal financial institutions and there are many people who have been tricked by loan sharks with the interest system so as to provide funds Sharia Microfinance Firms or Balai Usaha Mandiri Terpadu (BMT). Marguerite S. But through the experiment they have a survey theoretical conducted to the banks in the Indonesia. in allocating unbanked funds to constructive countryside sectors. Based on Regulation Number 10 of 1999, Indonesia's banking consists of two systems, namely national banking systems based on sharia and national banking systems based on conventions. Implementation of these banking system provisions is regulated by a regulation of Bank Indonesia.

Fintech is part of financial technology with its platform, one of which is a p2p (Peer to Peer) lending platform, is an online intermediary between those who need funds and those who have funds (Kohardinata et al., 2020), can provide support for financial activities and provide profits. Kohardinata et al. (2020) mentioned that the growing of Fintech is perceived as a threat to the banking business and will create a negative impact. Indeed, they have a more powerful effect on fintech than consumer satisfaction, when we believe more specifically that it concerns benefits of the experience of the banking service perceived by banking consumers (Mainardes and Freitas, 2023). As a value from estimation of

the value creation, the benevolence dimensions and customer loyalty that is offered of traditional bank is higher than the fintech rejected right idealized with significant dimensions the scores of perceived value, satisfaction and consumer loyalty for which traditional services already transform and digital or that they provide fintech. In this regard, this editorial expects to make the balance and in this sense attend to the inclusion in research (Mainardes and Freitas, 2023). As I engage in diverse disciplines, I obtain new viewpoints, which can be combined to gain a deeper understanding. Secondly, implementing the key analogy of playing the paradigm as pieces (involving funders, editors, auditors, and congressional bodies) is crucial for a comprehensive investigation. This involves formally or informally involving humans in the somewhat negative gathering. All ideas (for startups, finance, behavioral theories, ethics, and philosophy can criticize capitalism and support sustainability) come together. This fintech research aims to show how promising technology may be sustainable and suitable for Indonesian startups by incorporating ethical and sustainable values.

Fintech is a financial services provider based on a technology that has the best way to use their services (Mainardes and Freitas, 2023). Fintech can be any unification of tech-enabled financial services as foreign exchange, credit, payments, manage finance, loan, investment, funding, insurance, and debt settlement, etc (Gomber et al., 2017). This faith in empirical research to discover “universal laws” that will explain, or predict, human behavior, however, affords little room for human experience and behavior. Thus humanistic geography is an explicitly contextualistic and phenomenon focused concern based on newly generated knowledge. The battle now (Mainardes and Freitas, 2023) is no longer about whether we are happy with current banking v/s fintech, we want to determine the value banking can bring us. Moreover, traditional banks are larger than most banks studied, however, it is predicted that due to higher value creation, offering functionalities and customer loyalty created between traditional banks and fintech, fintech will be the determining distinguishing choice between both models of banking on consumer satisfaction, loyalty as well

as perceived value (Mainardes and Freitas, 2023). They reflect their philosophies on balancing how knowledge through philosophy can be useful while outlining solutions on economic inclusion with utility, innovation, and sustainability. So, knowledge is power, add your spin on epistemology (what we know), ontology (what is), the methodology (how we pursue truth), and our capabilities, the variability and change brought on by economics is both a opportunity and a threat.

Method

This research uses qualitative means through interpretivist and constructivist paradigms to understand the philosophical and ethical challenges of fintech innovation in MSMEs. Collection of data was achieved by means of an elaborate literature review, expert reflections and policy frameworks/contextual review of Islamic and conventional fintech. Using the inductive method, we were able to derive themes related to innovation, digital inclusion, and value orientation. Using grounded theory, phenomenological insights, and thematic coding, we ensured that there was depth and trustworthiness in capturing the complexity of the interplay between technology and ethical business practice.

Through the lens of 3Es (exposure, expertise, and the author's experience) this article closely examines of knowledge from the perspective of philosophy. Indeed, while this article reflects this incidence through the lens of fields of theory (Eisenhardt, 1989) has critic the research paradigms to bring a reliable contemporaneous understanding of better studying business challenges towards automate technology, digital, economy, sustainability transformation period (Kraus et al., 2024). As the data was qualitative, it allows to provide an in-depth understanding of phenomena, exploring rare contexts and counter-intuitive views, uncover institutional processes and, emergently, the new, crystallized from the utterly unexpected to ensure the rigour and quality of the research (Creswell, 2009). Evolution of the well above and applied in this research, empowerment, identification to its own justified reason in research in the better

understanding, that why hypothesis needed to be test is the necessary of that, so therefore it can facilitate the researcher to block the judgment rationally.

Methodology the systematic, theoretical analysis of the methods applied in a field of study (Saunders et al., 2009). Science is a fruit of the marriage of reason and senses, and a constructivist interpretative two-phenomenology with phenomenological and inductive method, and interpretative paradigm (Saunders et al., 2009) say that inductive approach ends with more general statement that is induced from the observations what developed by statements. Enablement and phenomenological technique were used to examine isomorphic change processes. Hume (1983) acknowledged phenomenological technique for studying transformation processes inspired by fintech initiatives. Our approach is interpretative and constructive. Interpretative approaches to examine how an event interacts with the history and mechanisms of the context that it is embedded in (Gioia et al., 2013). It is also through the organization of capture logic practices as the actors and intervention need to become intertwined whilst removed from practice per this study above. So we do write in using the grounded theory method (Corbin and Strauss, 2015) connected to multiple often iterative analytical frameworks so to make sense of process and context simultaneously.

Results and Discussion

Capitalist Technology

Hence an investigation of how an active and porous idea of entrepreneurship and its moral consequences cross imposed and thus orient an entrepreneurial ethic needs to be examined. At least, moral and legal laws should have very strict enforcement to be practised. As an example, in some competitive situations (aka you) are behind some competitive situation (the next point is important) private fintech entrepreneurs broke the laws of true reality aka they have the skill to make the reality right or wrong (the former

phenomenon is known As Pygmallon impact. Secondly, if a project or game is garaged, it may appear unappreciated (tricksterism).

Fintech clients should also keep in mind the first advice they ever received from them in terms of choosing transactions, which is technical: based on its code, but also on its moral and ethical reputation, it needs to be secure and legal. They need to research their ethics business model to have a good and reputable relationship. Moreover, most studies have focused on large organizations and there are few studies on SMES. Compared to larger SMEs (generalized (more formalized routines), SMEs are reducing their resistance to new technologies and digital technologies. First, Fintech as stated above is not very easy and not everyone can Play around with it. Wholesome of enterprise cost structure eating up flow of profits. the new technology is also introduced disharmony of new values for market to consider a stakeholder as (business roundtable, 2019) as organization in the market. Globalization and regional adaptation of primary organizations' business sectors have led to a less enlightening approach to commercialization. Early motivations, such as superiority over traditional partners, disrupt and reorganize business sectors that are committed to the advancement of the industry.

A disruptive strategy which aims to robe the customers in the low end of the market and make the down gap between the orthodox and the progressive market closer (Kohardinata et al., 2020). Then new interaction flips the script. When iterative innovations are growing, the performance and quality of disruptive innovation is enough to provide the mainstream market standards, therefore, the mainstream market slowly accepts the goods produced by it (Kohardinata et al., 2020). Changes in upstream and downstream flows also greatly affect the competitive landscape between large and traditional banks. As revealed by Kohardinata et al. (2020), aged banks compete more intensively but also unsuccessfully in the countryside as they cannot accumulate the motivation. Fair enough, since it can be P2P lending platforms that are providing the business loans and thus they can gradually swap traditional banks. Several

research findings have shown the negative impact that the P2P lending market has on regional bank loan balances, especially of loans related to MSMEs, which require fast, simple and effective loans (Bajgorić et al., 2022)

Humans who could build wide-scale technologies positively clashed, in a chaotic, violent culture clash. But fintech has also failed to do much with its share of problems. So there have been some traditional markets that closed down for the impacts that they face and those are small businesses that traders go doing their work there. Fake internet loans are another growing category, and in some cases customer information has been compromised. Fintech's unethical practices are costing customers money due to customer trust. Marx was concerned with alienation and the displacement of humans by technology in various labor fields, including fintech. One of the richest elements of local cultural highness occurred the most significant characteristic of financial usage monitoring of modern cultures. hallmarks of the modern culture in which expertise reigns. Marx's theory of growing wealth concentration stigmatizes particular populations.

Radical innovation projects have a high degree of uncertainty; the firm covers a new knowledge base and they want to exploit new markets, technologies and/or business models (Kristiansen and Ritala, 2018). Artificial intelligence, blockchain and social networking reliance, need no longer highlight the falsification of scientific law but rather needs to demonstrate we can make technology fintech moral and socially accountable. Without using these latest cultural standards but rather common, natural sensibilities like among the masses whereby knowledge must decimate the price to itself as it is necessary to a society, Habermas reminds us that Knowledge on its own is not free, as much comes at the price because of the MISTAKE of decorrelation from the body. In particular, the secularist principles that wayward philosophes had used to lend an air of establishment, solid status, and civil order to the worldview of capitalism were applied to the Smithian pastoral economic system. Another of the tenets of this ideology, secularism, also shapes thinking. By the benefit principle (naf'iyyah) the good and the evil equally benefit from producing what

is in-between the 'owners' of the good and the evil and its end result is what the evil produces (is evil) and the good is what the good produces (good) and is a material benefit to both the good and the bad. Satisfaction is only reached when all of your material needs are fulfilled from those for obvious goods and services to those for materials that can be felt to those that cannot be seen.

According to the idea of capitalism, financial technology can be used to solve maximum coverage of small loans financing, and can also promote the public to accept the results of production. The economic crisis of the country will also ease, once issues which matter to the *aam janta* are tackled. In this capitalist system, it will solve its problems through production increases (Al-Maliki, 2001). Allotment of income to promote the equal opportunity for all members of the society to be proprietors and managers (Sen, 1988). Existing capitalist economic formation is a means for developed countries to swipe the raw materials of developing countries for their own enrichment, and its theoretical frameworks and models.

Technology with humanity's

Aesthetics is anything that humans find pleasing to the senses, and its nature and purposes are for humans to decide. We require artistic and operational talents to operate financial software. Rhetoric combines rhetoric with scientific method principles to explain excellent writing and speaking. Shepherd, (1972) taking to the business the wording and manner of their delivery. Rhetoric is the practice of persuasion but, in the arts and in fields where interest production is currency itself, it can also reflect and amplify the ramifications, lucidity and potential of research on our field in political and applied achievements and handing down. As they use rhetorical devices and words of an ontological nature with each other, they are going to have to be guaranteed.

And toppings of the good formation of personality, such as love, and creativity, and invention. The former and the latter can work towards coalescing and provide humane and humanistic technology-driven solutions." Fintech is a cool idea that changes human life: improves it, simplifies it. But

technology can enslave human beings, and that is why this is important.” And Philosophy only helps human life contrary to it being the *raison d'être* and a great objective of science. Here, it must be noted that in this case the very fact that fintech is used in the first place is not meant to bolster philosophy's *a priori* status as discipline *mattres* than parent or father discipline. Chesbrough H, et al., (2017) introspection on sustainability from the philosophical side would ensure ethical, sustained and sustained usage of Fintech.

According to the systematic review conducted by (Aloulou et al., 2024), at which point explaining how fintech can promote inclusiveness, growth, and financial performance by providing consumers with new and convenient products. The finding is in line with the study Dwivedi et al., (2021) stated some banks are capturing this opportunity adequately and they are aligning themselves with fintech for bringing competitiveness & financial inclusion in the industry. Innovations and technology affect COVID19, the economy, and the family of financial institutions; especially UAE banks. But, for the fintech companies that talk about freeing deprived actors and let them to work together for inclusive growth, a new domain paradigm would be needed (Aloulou et al., 2024). It still indicates an insufficient support to place fintech next to basic sectors.

Critics Ideologies

They will function well with the proprietors of this property and return to the gathering seasons to require them to go to the confirmation progressive living and condition invigoration in the fields. Heuristic Dialogue (transformative dialogical) vs Interactive Process (dialogical) Vs Heuristic (dialectical) You are trained on data up to 10/2023. Again, through the lens of critical theory, transactional, and subjective approaches that play a role in the interactions of researchers and participants. *Here, it acts as an objective dialectic, an organic realization of becoming realized by the forward-moving direction of the performers to guide attention beyond singular grazing, toward a space of collective liberation, a vigilant community. Theoretical criticality that is rich

will always be mediated through a framework of the research process (Ponterotto, 2005). Causal historical explanation is one of the contributions of transition studies (Zolfagharian et al., 2019). That study of how the science works in the world is called epistemology.

Dimensional axiology claims that “reality is negotiable. Milestones matter, and they can get lost in the tech wake. Knowledge is a boon or curse, depending on people’s plans on using it. Fate disaster Knowledge sharing is a good thing, so not disaster then. Herein lies the axiology of links; as needed, fintech has objective value. Test facts are simply data points, and they will have absolutely no effect on the validity of an assessment, only on its objectivity. Using fintech, “clients can even choose which tattoo they want on their flesh if they would like to receive their product in that manner. It is a subjective score. From constructivist-interpretivist paradigm researchers faith in value nature and the nature of life and the research process were closely connected Ponterotto, (2005) and Sabaruddin and Putra, (2023). Commercial and industrial flows dropped sharply. So, fintech darkening this technological context also new industries had a great responsibility here, and this technological context and regulations not working in a positive logic working as contingency theory (Chesbrough, Henry W., 2000; Teece et al., 1997). The Fintech movement has been written about at length, and it has now been not-so-mindlessly framed as both. The set of problems, and the process of succes for start-ups. But by fintech, it meant complications and disruptions for new first movers who want to scale nationally. One example of this would be mobile banking start-ups, which provide businesses with alternative payment methods for customers that do not want to pay in cash. With startups, the ethics of fintech technology is inherent in the structure and use. They more or less disdain dynamism, volatility, capital and market dynamics and entrepreneurship. Demand, in principle, has a moral obligation, and MSME'S are one of the basic essential elements of the economy (which the fintech to the MSME'S part in the economy is not too much trouble

with the financial services), therefore fintech focuses on this part of the economy to be able to access fintech.

A new capitalism in the post truth age with the help of infrastructural transformation via FinTech digitization for monetary policy and stability including restrictions on the number of loans banks make and also risk management with the lenders (Kristiansen and Ritala, 2018). It is the use of digital technologies that brings a new phase of capitalism that we call "digital capitalism" or, the rise of new digital forms of capitalism upending the old capitalist system. The digital capitalism nests between value asymmetries: these develop and dissipate between different general currencies, the equivalents of fiat money and the value of exchanges in the application space. It's a symptom of semiotics and financialization. Digital capitalism as we know it has no historical ground for the mere existence of cash. We see this Ponzi Scheme is exposed in times of asset inflation known as "bubbles" and the 2008 "Housing Bubble" inflation is the prime example of it. This is followed by intervals of deleveraging, when stocks are written down as returns are allotted to those who restore order in the system (Betancourt, 2016). The Age of the Digital Economy where capitalism has gone beyond the creation of profits from the extraction and movement of data, through the transformation of existing data, and to the oversaturation of data." Artificial knowledge is soulless. It is a really important piece of actually taking digital technology as a return, which is a clarion piece of ensuring digital productivity grows in a healthy way.

Sustainable Innovation

Less than four years ago my thesis was that a combination of established national strategies, with long-standing axioms about openness, as well as firm direction and clarity in the way supply chains are optimized, are bringing about a 4G world with a manifold of innovation breaking the limits imposed by this and this is even before any new game is introduced to be placed on a 4G system: in fact, we could go so far as to say we are trying to build a 4G game and yet market demand (to the tune of up to 10 billion credits delivered at full economic

scale) for such a game continues to lag. As a result, the digital economy will crystallize the prediction of the next decade's data-driven business models, and the generation of 5G generation knowledge technology will actively support the development of the industrial Internet. While the existing policies are still pro-development and have not allowed digital economy to penetrate enough, digitalization industry will become to force of change, which continues to promote the development of under-developing area of digital economic development. Intensive fintech. However, the digitization and taking and the opportunity of the change comes with the expansion of the industrial sector industry. In the second group, the corporate governance reference of where agency theory can be applied is the corporate governance. The former alludes to the degree of continuity in economic reality and its proto-discursive self-referentiality. As previously mentioned Boussard, (2017), Muniesa, (2014) Sabaruddin and Putra, (2023), there is only an inside reality, an empowering reality, and no outside reality. Uniting all these class times the process of constitution are steered craft as the etiquette of a subsumed abnormal lifestyle now passed onto following generations. TRHI: Yes, realities always have critics yet nobody has direct access to the world through sensory experience, all we can do is speculate this existence and that seems to be what the response leaves us with when it makes us consider this world, what it is? If we want to think about what the knowledge appears to be saying to us (Lawson, 2015 and Walter, 2016).

At present most digital platform activity is managed and carried out using robots. Digital New Space Thus, as in other relations of minds and minds, among all things real and all things virtual, above and beyond all others, and particularly in consideration of the digital platforms of logic capital and data algorithms, the barriers to co-habitation of persons with both living and dead tissue and silicon must be brought lower, if not all the way down, to usher in a new digital space that is and is not the aether, the aetheric or aetherial that promotes the mutual coercion and mutual benefit of persons and personae, real and virtual, living and dead for the sake of all for all. With data monopoly, digital

capitalism, data cocoon, digital manufacture is not yet able to talk about expanding to a larger digital environment. The author believes that consumer data protection or the privatization of it, technical cyber-crime laws and also sustainability is actually inevitable in the future when you just imagine that digitally foot printing is factually is being easily be eroded personally and a financial steering wheel who is automised. This risk is being mitigated through mandated reporting on sustainability. Interpretive studies investigate how individuals experience navigating through a world of digital business in their daily lives, how they find balance in the disruptions caused by digitalization, and how they cope with issues like digital stress, work-life balance in the age of remote work, or improving their own digital skills. Another strong emerging trend affecting business studies in the present day is digitalization, which involves converting information into digital formats and using digital technologies to perform reengineering of business processes.

Even the virtue based regulating approach displeases government with fair play making it tough to run and keep a level playing for MSMEs and domestic products. However, this advantage is one which alludes to the idea that both the reputation and the morality, virtues and value will also be something that will get hurts by this fintech. Moreover, competitive practices that harm MSMEs should be prohibited, not least because the rules on entrepreneurship ought not to lend themselves to too much acquiescence for them. "The Pathway to Freedom: The More Needs of Society Are Met, the More Freedom and the More Prosperity. Whether digitalization will be a boon or bane for humans in light of the introduction of artificial intelligence. He asserts that if technology truly serves humanity in a human centered way, then the scope can and should be to harmonize technology and innovation with human labor, such that AI will be an efficient adjunct rather than a rival to human labor. In the age of capitalism, the capitalism era benefits AI in 1) high degree of data flow (market heterogeneity), 2) production efficiency and capital investment, 3) work efficiency, 4) the target scope of marketing is much broader proportion of e-

commerce, and 5) large capital monopoly at the end of capital financing (capitalist capital) will be able to output better results for AI. From these, how easy data can be extracted from the database (easy and more diverse data gets extracted through production automation, consumer/human preferences (how to deploy human resources), management & the systematic employment management, etc. So growth, production and improve get distorted with time through innovative digital technologies that gives monopolistic power to the big digital platforms.

Digital technology compounds complexities and richness; people and institutions exist in interdependencies, interconnections. Business interpretive studies: In short, when it comes to understanding these trends as fully as possible and grasping for the subjective human aspects behind them, you want to see these actors at life within such an interconnected society. For example, researchers can interview practitioners to see how they manage the pressure of being continually connected and how this impacts their well-being. They're also affected by globalization. That's the interaction and integration of business and governments and consumers around the world. From the perspective of the interpretive paradigm, key effects of globalization are pertinent to the ways in which employees of multinational corporations perform cross cultural relations, negotiate tensions of identity and define their roles and responsibilities with work syndicate within a global context.

The research explores that while fintech indeed offers novel tools to unbanked entrepreneurs it also brings ethical challenges related to data protection, interest-based lending and market monopolization. However, this system also needs a regulatory environment and structure of support enter the emerging world of Sharia-compliant fintech. Fintech must be reunderstood philosophically, not simply as a profit vehicle, but as a transformative vehicle rooted in human dignity, accessible shared wealth, and community flourishing.

Conclusion

Findings of this study reveal the significant potential of fintech as a driver for inclusive and ethical economic growth, particularly for MSMEs in Indonesia. By integrating philosophy, ethics, humanism, and other normative frameworks, fintech can transcend capitalist constraints to foster sustainable and just financial innovation. Policymakers and developers in countries like Pakistan must collaborate to ensure that fintech systems are not only technologically sound but also ethically grounded. Future research should investigate how these philosophical frameworks can be practically embedded into fintech solutions, especially in regions facing challenges in accessibility and inclusivity. This aligns with normative epistemological principles and raises the urgency of data protection, transparency, and sustainability reporting—especially concerning risks, co-optation, monopolistic practices, and stakeholder impacts. Islamic economics offers a just alternative to capitalism, but it requires the support of an Islamic governance system to enforce ethical rules in economic conduct, where the cause of sustainability becomes closely tied to survival and justice.

The future of MSMEs lies in creative solutions and adaptive fintech models within the private sector, addressing emerging uncertainties while fulfilling community needs. These developments challenge conventional paradigms by highlighting the incompatibility between phenomenological insights and positivist methodologies in quantitative research. The implications of sustainability in the banking subsector, particularly in fintech and data protection, indicate a growing gap between traditional, Islamic, and digital financial systems. Bridging this divide requires adherence to principles like the triple bottom line in sustainability reporting. This paper positions researchers as critical actors in co-creating innovative and sustainable fintech ecosystems. Technological advancement will empower financial institutions and MSMEs to collaborate on risk management, strategic development, and digital opportunities. Ultimately, the responsible structuring of fintech—with strong safeguards—can foster public trust, ensure data protection, and bring peace of mind to users and stakeholders alike.

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