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Realizing a Just Digital Islamic Economic Ecosystem

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ABSTRACT

This research aims to examine and formulate strategies for building a digital Islamic economic ecosystem based on justice in the face of the rapid development of information and communication technology. This study focuses on the application of sharia principles that emphasize the values of justice, balance, and sustainability in the digital economic system, thereby providing equitable, sustainable benefits that can be felt by all levels of society. This research uses a qualitative approach with a descriptive-exploratory design through an in-depth literature review. Data were collected from various sources, including academic literature, regulatory provisions, and the implementation practices of the digital Islamic economy in various sectors. The analysis was conducted by examining the relationship between sharia principles, technological developments, and strategic policies in an effort to strengthen the development of an inclusive digital ecosystem. The results show that digital transformation in the Islamic economy has great potential to expand access to sharia financial services, strengthen transparency, and encourage the development of technology-based businesses that are accessible to all levels of society. However, several challenges remain, including low levels of digital literacy, limited technological infrastructure, and the need for regulatory adjustments to align with the dynamics of the digital era. In conclusion, the development of a just digital Islamic economic ecosystem can only be realized through synergy between various stakeholders, including the government, financial institutions, businesses, and the wider community. Through this collaboration, digitalization will not merely be an instrument of modernization but will serve as a key pillar in realizing the vision of a just, inclusive, and sustainable Islamic economy.

1.Introduction

In recent years, digital developments have penetrated nearly all economic sectors, including the Islamic financial system. These changes have not only shifted transaction patterns but also updated the service models provided to the public. The emergence of fintech, digital banks, e-waqf, and digital zakat platforms demonstrates significant progress in expanding access to Islamic financial services, especially for groups previously neglected and difficult to reach by conventional banking. ChatGPT says:

These digital innovations offer advantages in the form of easier access, high transparency, and efficiency in terms of time and costs. For example, research on Sharia Fintech in Enhancing Financial Inclusion confirms that Sharia-based fintech has the potential to increase financial inclusion if supported by adequate literacy levels and appropriate regulations. This demonstrates

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that the success of digitalization in Sharia finance is not solely determined by technological sophistication, but also by public awareness and understanding in utilizing Sharia-based digital products. Furthermore, the existence of strict regulations, effective oversight mechanisms, and equitable digital infrastructure will strengthen Sharia fintech's contribution to building a fair, inclusive, and sustainable financial ecosystem. Under these conditions, digitalization in the Sharia financial sector can serve as a strategic instrument to drive economic growth while ensuring the upholding of values of justice and Sharia principles.(Zulfa, 2025). In line with this, a study on the Digital Transformation of Bank Syariah Indonesia Services revealed that digital services in Islamic banks make a significant contribution to expanding access to Islamic finance. However, obstacles remain, including limited infrastructure and low and unequal public literacy rates.(Abdulloh, 2023).

However, recent studies indicate a gap between potential and realization in realizing socio-economic justice. Sharia principles such as justice, equitable distribution of benefits, and sustainability have not yet been fully implemented in the practice of digital technology. As an illustration, recent research on Wealth Distribution Inequality and Social Justice in Islamic Economics emphasizes that Islamic zakat, waqf, and philanthropy instruments need to be reformulated and more closely integrated with the digital ecosystem to ensure a more equitable wealth distribution mechanism.(Darajat, 2025).

The urgency of this research lies in its contribution to filling the gap in the literature, which still rarely comprehensively examines aspects of justice in the digital Islamic economy. It also offers practical recommendations for various stakeholders, including the government, Islamic financial institutions, fintech players, and the wider community. Thus, this research is expected to broaden understanding and serve as a reference in policy formulation, ensuring that digital transformation in the Islamic economy not only brings efficiency and ease of access but also ensures the achievement of fair and equitable benefits, aligned with Sharia-based socio-economic principles.

2.Literature Review

2.1 The Role of Sharia Fintech in Enhancing Financial Inclusion in the Digital Era (Alfian, Abd Majid & Sugianto, 2025)

Description & Summary: This study presents a systematic literature review of 20 selected articles published between 2018 and 2025, focusing on Islamic fintech and financial inclusion. The review shows that Islamic fintech plays a significant role in expanding access to halal financial services, promoting financial literacy, and supporting economic equality. However, challenges such as limited infrastructure, regulations that are not yet fully adaptive, and varying levels of digital literacy remain major obstacles to optimizing the role of Islamic fintech.(Ian Alfian, M. Shabri Abd Majid, 2025).This study focuses on four main themes, namely: (1) expanding access to financing for MSMEs through sharia fintech platforms, (2) the urgency of literacy and trust in sharia financial services, (3) challenges in the form of regulatory fragmentation and limited supporting ecosystems, and (4) ethical dimensions and principles of justice in encouraging financial inclusion.

Critical Evaluation: The strength of this study lies in its systematic methodology and selection of relatively up-to-date literature, which allows it to present a comprehensive and robust picture of the developments and challenges facing Islamic fintech. However, this study remains general in nature and does not fully examine the mechanisms of fairness in the distribution of benefits, such as the regulation of margins, tariffs, or service fees in Islamic fintech to avoid harming any party. Furthermore, the local empirical context in various regions has received insufficient attention, although this is crucial to ensuring that the proposed strategies can be adapted to local conditions and needs.

2.2 The Role of Sharia Fintech in Improving Halal Financial Inclusion in MSMEs in Indonesia (Dewi & Adinugraha)

Description & Summary: This article discusses the contribution of Islamic fintech to expanding halal financial inclusion for micro, small, and medium enterprises (MSMEs) in Indonesia. The study highlights how digital-based services can provide easier, faster, and more Sharia-compliant access to financing, thereby helping MSMEs increase their business capacity while encouraging equitable economic growth.(Safarina Dewi & Hermawan Adinugraha, 2023)Using a literature review approach, the study results indicate that Sharia fintech plays a significant role in opening up access to financing for halal MSMEs, expanding the reach of formal Sharia financial services, and reaching areas previously underserved by conventional financial institutions.

Critical Evaluation: This research is highly relevant to the issue of equity, as it focuses on MSMEs, which are often underserved in the financial system. However, a notable limitation is the absence of primary data, as this study did not include interviews or field surveys to explore MSMEs' direct experiences with real-world challenges such as transaction costs, sharia-compliant guarantee mechanisms, or user trust. This limitation opens up opportunities for further research with a more in-depth empirical approach.

2.3 Legal Opportunities and Challenges in Indonesia's Sharia Economy Post COVID-19: A Focus on Digitalization and Regulation (Pakuan University et al., 2024/2025)

Description & Summary: This research applies a normative juridical method to examine the legal aspects of the development of the Islamic economy in Indonesia post-pandemic, with a primary focus on the dynamics of digitalization and its accompanying regulatory arrangements. This study emphasizes the importance of an adaptive legal framework to support the sustainable growth of the digital Islamic economy while remaining in accordance with Islamic principles.(Yenny Febrianty, Filda Vitalia, Pit Arzuna, 2025)This research examines several key aspects, namely legal certainty, regulatory effectiveness, policy adaptation, and the role of regulations in supporting Islamic economic recovery through the use of digital tools.

Critical Evaluation: The significance of this research lies in its focus on regulations and legal aspects, which are the primary foundation for ensuring fairness in the digital Islamic economic ecosystem. However, using a normative approach alone is insufficient to reflect the realities on the ground, such as the direct experiences of fintech users, MSMEs, and digital consumers in experiencing the impact of regulations. Furthermore, regulations often move slower than the pace of technological innovation, creating a gap between the theoretical framework and current practice.

2.4 Sharia Fintech: Opportunities and Challenges in Indonesia (Refi Agustina & Fita Nurotul Faizah, 2024)

Description & Summary: This article outlines the opportunities and challenges in the development of Islamic fintech in Indonesia, focusing on how Islamic principles are integrated into various digital financial service innovations. This study highlights the significant potential of Islamic fintech in expanding financial inclusion while also addressing the ongoing challenges, including regulatory, literacy, and digital ecosystem readiness.(Agustina & Faizah, 2023).The study's findings indicate that Sharia-compliant fintech has significant potential, supported by easy access to services, high demand from the Muslim community, and support from financial institutions and the government. However, several key challenges remain, including suboptimal regulations, limited infrastructure, and a gap in user literacy.

Critical Evaluation: This article's strength lies in its relatively up-to-date discussion, encompassing various dimensions, from technological and social to regulatory aspects. However, its weakness lies in the lack of in-depth discussion of equity, particularly regarding how the distribution of benefits from Islamic fintech can be equitable among groups with different economic and geographic conditions. Furthermore, analysis of the long-term impact of Islamic fintech on financial inclusion and social justice is still limited, opening up opportunities for further research.

2.5 Realizing Justice and Maṣlaḥah in E-Commerce: Fiqh Muamalah Insights and Challenges in Malaysia and Indonesia (Batubara et al., 2024)

Description & Summary: This research focuses on the integration of Islamic jurisprudence (fiqh) principles, particularly the values of justice and maslahah (benefit), into e-commerce practices in Malaysia and Indonesia. This study explores how sharia principles are applied in digital transactions to ensure fairness for all parties and support the common good in the online business ecosystem.(Batubara et al., 2024)Using in-depth interviews with producers and consumers, this study found that producers have a relatively high level of understanding of Islamic business principles. However, their implementation varies depending on educational background and individual exposure to Sharia values.
Critical Evaluation: This study is highly relevant because it directly examines the application of justice aspects in digital practices (e-commerce), which fall within the realm of digital Islamic economics. However, its limitations lie in its relatively narrow scope, focusing more on e-commerce transactions than on fintech or the broader Islamic financial system. Furthermore, the comparative focus between Malaysia and Indonesia prevents a detailed discussion of the local Indonesian context, which may under-represent some specific dynamics.

Based on a literature review, the development of the digital Islamic economy, particularly through Islamic fintech and Islamic-based e-commerce, shows significant potential for expanding financial inclusion, increasing transparency, and providing fairer access for the public. The success of this digital ecosystem depends on adequate regulation, digital literacy, and an understanding of Sharia principles. While previous research has outlined opportunities and challenges, many studies remain general and under-reflect on the distribution of justice and the practical application of Sharia values in the field. This research aims to fill this gap by examining strategies for building an efficient, equitable, inclusive, and Sharia-compliant digital Islamic economic ecosystem. It also provides academic contributions and practical recommendations for the development of a more equitable and sustainable digital Islamic economy.

3.Methodology

This research employs a qualitative approach with a descriptive-exploratory design, chosen because its goal is to deeply understand the phenomena related to the development of the digital Islamic economic ecosystem and to formulate strategies that can support the development of a just system. The qualitative approach was chosen because it allows researchers to comprehensively explore the concepts, principles, and practices related to the integration of Sharia values in the digital economy. Using this method, the research not only describes the phenomena but also examines opportunities, obstacles, and formulates strategies that can strengthen the digital-based Islamic economy.

3.1 Research Design

A descriptive-exploratory design was used to provide a comprehensive overview of the dynamics of the digital Islamic economy, encompassing both potential development and challenges. The descriptive approach serves to explain the actual state of the development of Islamic economic digitalization, while the exploratory aspect allows for the identification of ideas, alternative solutions, and innovative strategies for implementing Sharia principles that emphasize justice, balance, and sustainability in the digital era.

3.2 Data Sources

The research data was collected through a literature review (library research), with sources including scientific articles, recent research journals, academic books, official institutional reports, government regulations, and digital publications covering the topic of the digital Islamic economy. The study focused on the most recent literature between 2020 and 2025, ensuring that the research findings reflect a cutting-edge understanding and are relevant to current developments. Topics covered include the digital Islamic economy, the development of Islamic fintech, Sharia-compliant e-commerce, and the transformation of digital finance from a Sharia perspective.

3.3 Data Collection Techniques

Data were collected through a documentation method that included literature identification, critical review, and source classification based on research relevance. Researchers rigorously selected sources for credibility and contextual relevance, using academic databases such as Google Scholar, Scopus, and DOAJ. Furthermore, official regulatory documents, such as laws and regulations, fatwas from the National Sharia Council (DSN-MUI), and policies from the Financial Services Authority (OJK) and Bank Indonesia, served as normative references. Reports and publications from Islamic financial institutions were also used to assess field practices. This approach ensured that the data obtained was comprehensive, academic, normative, and practical, ensuring that the research findings were relevant and comprehensive.

3.4 Data Analysis

The collected data was analyzed through content analysis, which allowed researchers to decipher and interpret the meaning of the reviewed literature. This analysis focused on the interrelationships between three main dimensions: sharia principles, encompassing the values of justice, balance, and sustainability; digital technology innovation, which supports the strengthening of the Islamic economic ecosystem; and strategic policies, which strengthen regulations, infrastructure, and governance of digital systems. The results were then synthesized to formulate strategies that can be implemented in building an inclusive, transparent, and equitable digital Islamic economic ecosystem.

3.5 Data Validity

To ensure the validity of the findings, this study employed source triangulation, comparing and verifying data from academic literature with government regulations and empirical practice in the field. This approach aims to reduce bias and broaden the analytical perspective. With maintained validity, the research results are expected to provide a deeper, more critical, and more relevant understanding for the development of the digital Islamic economy in the modern era.

4.Results and Discussion

Research findings indicate that the digitalization of the Islamic economy holds significant potential to expand access to Islamic financial services, increase transparency, and promote equitable distribution of economic benefits. A literature review reveals that Islamic fintech, Islamic-based e-commerce, and Islamic banking digital services are key pillars in building an inclusive digital Islamic economic ecosystem. However, implementing the principle of fairness in the context of digitalization still faces various challenges, including regulatory challenges, digital literacy levels, and technological infrastructure readiness.

4.1 Potential of the Digital Islamic Economic Ecosystem

Research by Alfian, Abd. Majid, and Sugianto (2025) shows that Islamic fintech plays a crucial role in increasing financial inclusion through access to financing for MSMEs, improving financial literacy, and strengthening public trust in the Islamic financial system. These findings emphasize that fintech functions not only as a service provider but also as a means of education and economic empowerment. This aligns with research by Dewi & Adinugraha (2023), which highlights the role of Islamic fintech in expanding access to halal financing for MSMEs, which are often underserved by conventional banking. Both studies indicate significant opportunities for the digitalization of the Islamic economy to create an inclusive, fair, and sharia-compliant financial system. Nationally, this is highly relevant given that MSMEs are the main drivers of the Indonesian economy, absorbing a large portion of the workforce, and supporting the economic resilience of the community. With the support of innovative and value-based Islamic fintech, MSMEs not only gain access to capital but are also able to build a more sustainable and competitive business ecosystem in the digital era

4.2 Regulatory and Infrastructure Challenges

Despite its significant potential, the implementation of the principle of justice in the digital Islamic economy still faces several obstacles. Research by Febrianty et al. (2025) emphasized that regulations in Indonesia have not fully adapted to developments in digital technology, creating a gap between policy and practice. Furthermore, limited digital infrastructure in some regions, particularly remote ones, limits public access to digital Islamic financial services, resulting in an unequal distribution of the benefits of the digital economy.

4.3 Aspects of Justice and Maṣlaḥah in the Digital Economy

Batubara et al. (2024) highlighted the importance of implementing the principles of justice and maslahah (benefit) in Sharia-compliant e-commerce transactions. Their research shows that while understanding of the values of Islamic jurisprudence (fiqh) in muamalah (Islamic jurisprudence) is relatively high among producers, its application remains varied and inconsistent. This emphasizes the need to strengthen Sharia literacy and digital business ethics to create a truly equitable ecosystem. Therefore, Sharia principles must be the primary foundation, not only in products but also in the distribution mechanisms for benefits.

4.4 Comparison with Previous Literature

Compared with previous research, this study emphasizes the socio-economic justice dimension, which is often overlooked in studies of the digitalization of the Islamic economy. Most previous research focuses on technological opportunities and regulatory challenges, while aspects of benefit distribution and equitable access are rarely analyzed in depth. Thus, this study fills a gap in the literature by directly linking the development of digital technology to the principle of justice in Islam.

4.5 Relevance of Findings

Research findings indicate that creating a just digital Islamic economic ecosystem requires collaboration between various stakeholders. The government must provide adaptive and inclusive regulations, Islamic financial institutions are required to increase service innovation, and the public needs to be equipped with digital literacy and an adequate understanding of sharia.

With this synergy, digitalization will serve not only as a tool for modernization but also as a means to realize the vision of a just, sustainable, and inclusive Islamic economy.

5.Conclusion

Based on research findings and a literature review, it can be concluded that the development of a digital Islamic economic ecosystem holds significant potential to strengthen Islamic financial inclusion, increase transparency, and encourage a more equitable distribution of economic benefits. Digital transformation through Islamic fintech, digital banking services, and Islamic-based e-commerce not only brings transaction efficiency but also opens up opportunities for the public to participate more actively in the modern economy. Easier access, lower transaction costs, and broader reach make digitalization a strategic tool for reaching previously underserved communities, particularly in remote areas. However, this research also identified several key challenges. Regulations that are not fully adaptive to digital developments, limited technological infrastructure in some regions, and low levels of digital literacy and sharia literacy in the community are significant inhibiting factors. If these issues are not addressed systematically, digitalization risks widening the gap between digitally literate groups and those without adequate access. Therefore, developing an equitable digital Islamic economic ecosystem requires synergy from all stakeholders. The government needs to introduce regulations that are responsive, flexible, and support equitable access. Islamic financial institutions must continue to innovate to provide inclusive services in accordance with Sharia principles; while the community needs to be empowered through digital literacy education and an understanding of Sharia values to enable them to utilize technology wisely. Only through harmonious and consistent collaboration can the digitalization of the Islamic economy function not merely as a tool for modernization but also as a means of realizing the Islamic vision of justice, balance, and sustainability within the economic system. Thus, the development of the digital Islamic economy will not only increase efficiency but also become a medium for more humane socio-economic transformation rooted in Sharia values.

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