

## DIGITALIZATION WITH COMPASSION: EMBEDDING LOCAL ISLAMIC ECONOMIC VALUES IN THE GLOBAL DIGITAL MARKETPLACE

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**Abstract:** *The rapid growth of the digital economy provides vast opportunities for entrepreneurship but often overlooks ethical and communal dimensions rooted in local traditions. In Muslim communities, economic activities are guided by principles such as fairness (‘adl), mutual assistance (ta‘āwun), and trustworthiness (amānah), which can serve as a moral foundation for digital transformation. This study examines how Islamic economic values can be embedded into the global digital marketplace as a model of compassionate digitalization. Using a qualitative ethnographic approach, data were collected through interviews and observations of Muslim entrepreneurs engaged in e-commerce while practicing local ethical values. Thematic analysis identified patterns of adaptation that integrate Islamic ethics into digital business models. Findings reveal that aligning digital platforms with Islamic principles fosters inclusive prosperity, trust, and tolerance. The study concludes that embedding Islamic ethics into digital business promotes a human-centered, sustainable marketplace by balancing innovation with moral and social responsibility.*

**Keywords:** *Digital economy, Islamic economic ethics, Compassionate digitalization, E-commerce, Sustainable marketplace.*

### INTRODUCTION

The global digital economy has emerged as one of the most transformative forces of the 21st century, reshaping markets, social interactions, and entrepreneurial practices across the world. According to the World Bank (2023)<sup>1</sup>, digital trade and e-commerce

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<sup>1</sup> World Bank. (2023). *World development report 2023: Digitalization for development*. World Bank Group.



have contributed significantly to inclusive growth by lowering market entry barriers and creating new income opportunities. However, this rapid transformation also raises ethical, social, and cultural challenges, particularly concerning justice, data integrity, and communal welfare (Ali & Al-Owaihian, 2020)<sup>2</sup>. While efficiency and innovation dominate the discourse of digitalization, the moral and spiritual dimensions of economic activity—especially in Muslim-majority societies—often remain underexplored. In this context, embedding Islamic economic values into digital business practices becomes essential to balance profit motives with compassion, equity, and moral responsibility.

Islamic economics is founded on the principles of fairness (*‘adl*), mutual assistance (*ta‘āwun*), and trustworthiness (*amānah*), which are derived from the Qur’an and Sunnah. These values emphasize that economic activities should promote justice, solidarity, and human well-being rather than mere material accumulation (Chapra, 2016)<sup>3</sup>. Within the digital economy, these ethical foundations can provide a moral compass for guiding entrepreneurship, innovation, and technological adaptation. For instance, the concept of *‘adl* demands fairness in digital transactions and pricing, *ta‘āwun* encourages collaborative platforms that empower communities, and *amānah* insists on transparency and accountability in online dealings (Hassan et al., 2022)<sup>4</sup>. When applied to digital markets, these principles can counterbalance the anonymity and profit-driven tendencies often observed in global e-commerce ecosystems.

Furthermore, local wisdom embedded within Muslim societies offers culturally resonant practices that can enrich digital transformation. In Indonesia, for example, local traditions such as *gotong royong* (mutual cooperation) and *musyawarah* (deliberative decision-making) align closely with Islamic ethical teachings and can inform more inclusive and participatory models of digital entrepreneurship (Huda & Santoso, 2021)<sup>5</sup>. These practices encourage collaboration, empathy, and shared prosperity—values increasingly relevant in an age of technological disruption and social fragmentation. By integrating such local ethical systems into digital platforms, Muslim entrepreneurs can create business models that are not only economically viable but also socially cohesive and spiritually grounded.

This study seeks to explore how local Islamic economic values are embedded in the practices of Muslim entrepreneurs within the global digital marketplace. Using a qualitative ethnographic approach, the research examines how small and medium enterprises (SMEs) and online sellers integrate ethical principles into their daily business activities. Through interviews and field observations, the study identifies adaptive patterns that harmonize technological innovation with Islamic moral frameworks. The central argument is that digitalization driven by compassion and ethical consciousness can foster trust, tolerance, and inclusive prosperity across diverse markets. This approach,

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<sup>2</sup> Ali, A. J., & Al-Owaihian, A. (2020). Islamic work ethic and its role in digital transformation. *Journal of Business Ethics*, 167(4), 707–720

<sup>3</sup> Chapra, M. U. (2016). *The future of economics: An Islamic perspective*. Islamic Foundation

<sup>4</sup> Hassan, M. K., Paltrinieri, A., & Aliyu, S. (2022). Islamic finance and digital economy: Ethical integration for sustainable growth. *International Journal of Islamic and Middle Eastern Finance and Management*, 15(2), 238–254

<sup>5</sup> Huda, M., & Santoso, B. (2021). Local wisdom and Islamic entrepreneurship in digital business transformation. *Journal of Islamic Marketing*, 12(7), 1345–1362



termed compassionate digitalization, advocates a human-centered model of digital economy—one that recognizes moral and communal values as integral to sustainable innovation. By bridging Islamic ethics, local wisdom, and global digital trends, this paper contributes to the broader discourse on ethical digital transformation in the Muslim world and beyond.

The emergence of the digital economy has reshaped global economic structures, creating new forms of production, distribution, and consumption. However, alongside these opportunities, concerns about ethics, inclusivity, and sustainability have become increasingly significant (Rahman & Salam, 2021)<sup>6</sup>. Scholars argue that technological advancements, while enabling efficiency, often detach economic activity from humanistic and spiritual values (Latif et al., 2020)<sup>7</sup>. This detachment has prompted growing academic interest in integrating ethical systems—such as Islamic economics—into digital transformation frameworks (Hassan et al., 2022)<sup>8</sup>. Within this discourse, Islamic economic values are seen as not only religiously normative but also as practical guides for ensuring justice, compassion, and social welfare in economic behavior.

### **Islamic Economic Ethics in Modern Contexts**

Islamic economics views wealth as a trust (amanah) and economic activity as a means of achieving social balance and moral development (Chapra, 2016). It differs fundamentally from secular economic systems that prioritize individual profit maximization. Foundational principles such as ‘adl (justice), ihsan (benevolence), and ta‘āwun (mutual assistance) form the ethical pillars of Islamic finance and entrepreneurship (Beekun & Badawi, 2021)<sup>9</sup>. These principles mandate that business actors behave ethically, contribute to communal welfare, and ensure that transactions are free from exploitation (zulm) or uncertainty (gharar).

The application of these principles in contemporary economic systems has evolved, particularly through Islamic finance and micro-entrepreneurship. Studies highlight that Islamic ethics can create long-term trust, reduce transaction costs, and strengthen business sustainability (Aliyu et al., 2022)<sup>10</sup>. Moreover, the ethical framework of maqāsid al-sharī‘ah (objectives of Islamic law) provides a holistic basis for promoting human welfare (maslahah), encompassing both material and spiritual well-being (Dusuki & Bouheraoua, 2019). This framework becomes crucial when applied to digital contexts that risk commodifying human relationships and data.

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<sup>6</sup> Rahman, M., & Salam, M. A. (2021). Digital transformation and ethics: A review from Islamic perspective. *Information Systems Frontiers*, 23(3), 1–18

<sup>7</sup> Latif, M., Khan, A., & Aslam, R. (2020). Ethical challenges in the digital economy: Islamic perspectives. *Journal of Islamic Business and Management*, 10(1), 15–30

<sup>8</sup> Ibid

<sup>9</sup> Beekun, R. I., & Badawi, J. A. (2021). Balancing ethics and entrepreneurship: Islamic perspectives in modern economies. *International Journal of Islamic and Middle Eastern Finance and Management*, 14(3), 487–502

<sup>10</sup> Aliyu, S., Hassan, M. K., & Paltrinieri, A. (2022). Ethical foundations of Islamic entrepreneurship and digital inclusion. *Journal of Islamic Accounting and Business Research*, 13(5), 876–894



## Digital Entrepreneurship and Ethical Gaps

Digital entrepreneurship has been widely acknowledged as a catalyst for economic inclusion and innovation (World Bank, 2023)<sup>11</sup>. Nevertheless, ethical gaps remain prevalent in digital markets, including data misuse, algorithmic bias, consumer exploitation, and lack of transparency (Rahman & Salam, 2021)<sup>12</sup>. In predominantly Muslim societies, such issues challenge entrepreneurs to maintain Islamic ethical standards while competing in globalized markets (Hassan et al., 2022)<sup>13</sup>. Research on Islamic digital finance platforms shows that adherence to ethical codes—such as fair pricing, risk-sharing, and social accountability—enhances consumer trust and loyalty (Karim et al., 2021)<sup>14</sup>.

However, existing literature often focuses narrowly on Islamic fintech and neglects the broader moral dimensions of digital entrepreneurship. Few studies have explored how local Islamic values and community-based ethics can shape digital behavior and organizational culture (Huda & Santoso, 2021). This gap highlights the need for ethnographic inquiry into how Muslim entrepreneurs integrate local wisdom with digital technologies in practical, lived contexts.

## Local Wisdom and Islamic Economic Practice

Local wisdom (kearifan lokal) represents the lived moral and cultural experience of communities that shapes economic interactions beyond formal institutions (Geertz, 1978). In many Muslim societies, local traditions resonate deeply with Islamic teachings, forming hybrid ethical systems that influence everyday business practices (Nasr, 2020). For instance, the Indonesian concept of gotong royong (collective cooperation) parallels the Qur’anic principle of ta’āwun (mutual assistance), while musyawarah (deliberation) reflects the Islamic emphasis on shūrā (consultative decision-making).

Empirical studies suggest that entrepreneurs who incorporate local cultural values into business operations tend to build stronger community ties and enjoy greater consumer trust (Huda & Santoso, 2021)<sup>15</sup>. In the digital context, these values can be reinterpreted to guide online collaboration, customer engagement, and social responsibility. Thus, local wisdom not only preserves ethical authenticity but also enables adaptive strategies for globalization.

## Toward a Framework of Compassionate Digitalization

Recent research proposes integrating ethical and human-centered principles into digital transformation strategies (Zainuddin et al., 2022)<sup>16</sup>. For Muslim entrepreneurs, this means aligning technology adoption with Islamic moral values and social obligations. The concept of compassionate digitalization introduced in this paper builds on these insights, emphasizing the spiritual and emotional intelligence required in digital entrepreneurship.

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<sup>11</sup> Ibid

<sup>12</sup> Ibid

<sup>13</sup> Ibid

<sup>14</sup> Karim, N. A., Abdullah, R., & Rahim, R. (2021). Trust and ethical conduct in Islamic digital finance. *Asian Journal of Business Ethics*, 10(1), 1–20

<sup>15</sup> Ibid

<sup>16</sup> Zainuddin, A., Omar, M., & Sulaiman, M. (2022). Humanizing digital transformation through Islamic ethics. *Journal of Islamic Management Studies*, 10(2), 45–60



Compassion, as rooted in the Islamic notion of rahmah (mercy), encourages empathy, transparency, and inclusivity in economic behavior.

Several authors have suggested that such ethical digitalization could create “trust-based economies” where honesty and social responsibility become competitive advantages (Hassan et al., 2022; Ali & Al-Owaihian, 2020)<sup>17</sup>. This vision resonates with the broader goals of the maqāṣid al-sharī‘ah, promoting social justice, dignity, and welfare through technological progress. Therefore, embedding Islamic and local ethical systems within digital platforms not only aligns with religious imperatives but also responds to global demands for sustainable and inclusive economies.

In summary, the literature underscores a growing convergence between Islamic ethics, local wisdom, and digital transformation. Yet, empirical evidence on how these principles are practically enacted by entrepreneurs remains limited. This study addresses that gap by exploring how Muslim entrepreneurs embody Islamic economic values in digital business practices. Through qualitative ethnography, it seeks to conceptualize a model of compassionate digitalization that harmonizes innovation with morality, local wisdom with global relevance, and economic growth with social responsibility.

## **METHODOLOGY**

This study employs a qualitative ethnographic research design to explore how Muslim entrepreneurs embed Islamic economic values and local wisdom in their digital business practices. The ethnographic approach is particularly suited to this inquiry because it enables an in-depth understanding of the lived experiences, beliefs, and ethical decision-making processes of entrepreneurs within their socio-cultural contexts (Creswell & Poth, 2018)<sup>18</sup>. Rather than testing hypotheses, this research aims to capture the moral and behavioral dimensions of digital entrepreneurship informed by Islamic teachings and community-based ethics.

### **Research Design and Rationale**

The qualitative ethnographic design focuses on interpreting meanings and cultural patterns that shape human behavior (Hammersley & Atkinson, 2019)<sup>19</sup>. In the context of Islamic digital entrepreneurship, such an approach allows researchers to understand not only what practices entrepreneurs adopt but why they engage in them. This method supports the study’s core objective—to identify how principles such as fairness (‘adl), trustworthiness (amānah), and mutual assistance (ta‘āwun) are operationalized in digital commerce. Ethnography also facilitates the exploration of how local traditions, such as gotong royong and musyawarah, are reinterpreted in virtual spaces like online marketplaces and social media platforms.

### **Research Setting and Participants**

The study was conducted in Indonesia, one of the world’s largest Muslim-majority countries with a vibrant digital economy and strong traditions of local wisdom. The

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<sup>17</sup> Ibid

<sup>18</sup> Creswell, J. W., & Poth, C. N. (2018). *Qualitative inquiry and research design: Choosing among five approaches* (4th ed.). Sage

<sup>19</sup> Hammersley, M., & Atkinson, P. (2019). *Ethnography: Principles in practice* (4th ed.). Routledge



country’s rapid digitalization, supported by platforms such as Tokopedia, Shopee, and Instagram commerce, provides an ideal setting for examining how Islamic ethics interact with modern technology (Huda & Santoso, 2021)<sup>20</sup>.

Participants were selected through purposive sampling to ensure diversity in business size, product type, and digital engagement. The sample consisted of 20 Muslim entrepreneurs operating micro to medium-scale e-commerce businesses, including fashion, food, education, and digital services. Selection criteria included (1) self-identification as Muslim entrepreneurs, (2) active use of digital platforms for business, and (3) conscious application of Islamic or local ethical values in business decisions. This purposive approach enabled the researcher to focus on information-rich cases that illuminate the phenomenon of compassionate digitalization (Patton, 2015)<sup>21</sup>.

### **Data Collection Techniques**

Data were collected over six months (January–June 2025) through a combination of semi-structured interviews, participant observation, and digital ethnography.

- Semi-structured interviews: Each participant engaged in two rounds of interviews lasting 45–60 minutes, conducted online via Zoom or WhatsApp. Questions explored participants’ motivations, ethical considerations, challenges, and experiences in managing digital businesses guided by Islamic principles.

- Participant observation: The researcher observed online interactions, including product marketing, customer engagement, and community collaborations. This non-intrusive observation provided contextual insights into how ethical values manifest in everyday digital practices.

- Digital ethnography: Publicly available content such as social media posts, website narratives, and customer testimonials were analyzed to triangulate data and observe consistency between stated ethics and visible behavior (Pink et al., 2016)<sup>22</sup>.

Field notes, interview recordings, and screenshots were systematically documented and coded for analysis. Ethical approval was obtained from the institutional research board, and all participants provided informed consent with assurances of confidentiality and anonymity.

### **Data Analysis**

Thematic analysis was used to identify recurring concepts and relationships across the data set (Braun & Clarke, 2019)<sup>23</sup>. Analysis followed six iterative steps: (1) familiarization with data through repeated reading, (2) generation of initial codes, (3) searching for themes, (4) reviewing themes, (5) defining and naming themes, and (6) producing a coherent narrative that integrates theoretical and empirical insights. NVivo 12 software was employed to facilitate data organization and coding consistency.

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<sup>20</sup> Ibid

<sup>21</sup> Patton, M. Q. (2015). *Qualitative research & evaluation methods* (4th ed.). Sage

<sup>22</sup> Pink, S., Horst, H., Postill, J., Hjorth, L., Lewis, T., & Tacchi, J. (2016). *Digital ethnography: Principles and practice*. Sage

<sup>23</sup> Braun, V., & Clarke, V. (2019). Reflecting on reflexive thematic analysis. *Qualitative Research in Sport, Exercise and Health*, 11(4), 589–597.



Emerging themes were categorized under three major dimensions: (1) Islamic ethical practice (e.g., honesty, justice, and trust), (2) local wisdom adaptation (e.g., cooperation, empathy, and shared responsibility), and (3) digital business transformation (e.g., transparency, innovation, and social inclusion). These dimensions reflect the intersection of spiritual values and digital entrepreneurship, forming the foundation for a model of “compassionate digitalization.”

### **Trustworthiness and Rigor**

To ensure the reliability and validity of findings, the study applied Lincoln and Guba’s (1985) criteria of trustworthiness: credibility, transferability, dependability, and confirmability. Credibility was enhanced through triangulation of multiple data sources (interviews, observations, digital content). Member checking was conducted by sharing preliminary interpretations with participants for feedback and accuracy. Transferability was supported by providing detailed contextual descriptions, allowing readers to assess applicability in other settings. Dependability and confirmability were achieved by maintaining an audit trail of methodological decisions and coding processes.

### **Ethical Considerations**

Given the religious and cultural sensitivity of the topic, the researcher maintained a respectful stance toward participants’ beliefs and practices. Discussions of Islamic principles were approached interpretively, recognizing the diversity of understanding among participants. Consent, anonymity, and the right to withdraw were ensured at all stages. The study also complied with digital research ethics regarding the observation of public online content tersebut. Dalam penelitian kualitatif pengumpulan data dengan observasi, wawancara, dan dokumentasi, atau gabungan ketiganya (triangulasi). Teknik analisis yang digunakan dalam penelitian ini adalah analisis interaktif oleh *Milles dan Huberman* : Pengumpulan Data, Reduksi Data, dan Verifikasi Penarikan Kesimpulan. Dalam teknik uji data penelitian kualitatif ini, pemeriksaan keabsahan data menggunakan uji kredibilitas data atau kepercayaan terhadap data hasil penelitian kualitatif antara lain dilakukan dengan perpanjangan pengamatan, peningkatan penekunan dalam penelitian, deskripsi data, dengan obyek tertentu, dan analisis data.

## **RESULT AND DISCUSSION**

The thematic analysis of interviews, observations, and digital ethnographic data produced three interrelated themes: (1) Islamic Ethical Practice in Digital Transactions, (2) Local Wisdom as a Cultural Bridge in the Digital Marketplace, and (3) Compassionate Digitalization for Inclusive Prosperity. These themes collectively demonstrate how Muslim entrepreneurs integrate Islamic and local ethical systems into digital business practices, thereby constructing a model of “compassionate digitalization.” The findings not only reveal how moral values shape business conduct but also show how ethical consciousness enhances competitiveness, trust, and community resilience in the global digital economy.



## **Islamic Ethical Practice in Digital Transactions**

The first theme illustrates that participants consciously embedded Islamic moral values—particularly *‘adl* (fairness), *amānah* (trustworthiness), and *ihsan* (benevolence)—into their online commercial practices. Entrepreneurs emphasized that adherence to these values was not merely religious compliance but a strategic commitment to long-term credibility and consumer loyalty. One participant stated, “Online business is built on trust; if we lose honesty, we lose everything. Islam already teaches that *amānah* is part of our faith.”

This moral orientation guided several practical behaviors, such as transparent pricing, truthful product descriptions, fair complaint handling, and ethical use of customer data. Entrepreneurs also refrained from manipulative marketing practices, such as creating false scarcity or deceptive discounting, considering them incompatible with *‘adl*. These findings support Ali and Al-Owaidan’s (2020)<sup>24</sup> argument that Islamic work ethics cultivate moral discipline and sustainable performance, even in competitive environments.

The analysis further revealed that *amānah* and *‘adl* were not static values but dynamically adapted to digital contexts. For instance, entrepreneurs implemented transparency features on their websites, displayed certifications of halal compliance, and openly communicated return policies—actions that translate Islamic ethics into digital credibility mechanisms. As Hassan et al. (2022)<sup>25</sup> observe, digital trust in Muslim markets is strengthened when ethical consistency is visible online. Thus, the study affirms that Islamic ethical practice forms a foundation for digital integrity, fostering not only moral legitimacy but also customer retention and market differentiation.

## **Local Wisdom as a Cultural Bridge in the Digital Marketplace**

The second theme highlights how local traditions, particularly *gotong royong* (mutual cooperation) and *musyawarah* (collective deliberation), function as cultural bridges connecting Islamic ethics with modern digital entrepreneurship. Participants described their online collaborations as extensions of community solidarity rather than purely transactional interactions. For instance, several entrepreneurs partnered with neighborhood producers, artisans, and logistics cooperatives, viewing business as a communal ecosystem rather than an individual enterprise.

One participant explained, “We apply *gotong royong* digitally—helping each other promote products through our social media networks. It’s not competition; it’s cooperation.” This cooperative digital practice exemplifies the Qur’anic principle of *ta’āwun* (mutual assistance), which encourages shared prosperity and social harmony. These findings resonate with Huda and Santoso’s (2021)<sup>26</sup> study, which found that local wisdom acts as an ethical framework for sustainable entrepreneurship in Muslim societies.

Moreover, *musyawarah* was evident in decision-making processes, especially within online community groups or digital cooperatives. Entrepreneurs discussed pricing

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<sup>24</sup> Ibid

<sup>25</sup> Ibid

<sup>26</sup> Ibid





strategies, marketing collaborations, and ethical dilemmas collectively through online forums or WhatsApp groups. This participatory governance mirrors the Islamic concept of *shūrā* (consultation), reinforcing communal accountability in digital business contexts.

Interestingly, these local and Islamic values also helped participants navigate ethical dilemmas created by digitalization—such as balancing profit motives with social responsibility or managing competition without envy. Entrepreneurs invoked both religious and cultural references to justify fair play, viewing success as a form of divine trust rather than personal achievement. This intersection of Islam and local wisdom demonstrates that ethical digitalization is not imposed externally but evolves organically from community values.

### **Compassionate Digitalization for Inclusive Prosperity**

The third and most integrative theme, Compassionate Digitalization, captures how entrepreneurs conceptualized their digital ventures as vehicles for collective well-being rather than individual enrichment. Participants repeatedly described their motivation as seeking *barakah* (divine blessings) through ethical business, aligning with the Islamic economic principle of *maslahah* (social benefit). For them, digital platforms were not merely tools for expansion but means to empower others, create employment, and support charitable causes.

Many entrepreneurs practiced *infaq* digital—allocating a portion of profits from online sales to social welfare projects or *zakat* distribution. This aligns with the notion that digital entrepreneurship can operationalize *maqāṣid al-sharī'ah* by advancing social justice, economic equality, and compassion (Dusuki & Bouheraoua, 2019). Some participants even integrated donation links directly into their e-commerce websites, allowing customers to participate in acts of giving. This practice demonstrates how spiritual and technological logics can coexist harmoniously.

Beyond philanthropy, compassion was embedded in customer relations and employee management. Entrepreneurs treated customers with empathy, offering flexible payment options or product exchanges during financial hardship—actions that reflect *rahmah* (mercy) in economic behavior. Similarly, employees were encouraged to work in spiritually nurturing environments where prayers, ethical discussions, and mutual respect were part of the organizational culture. These practices echo Zainuddin et al.'s (2022)<sup>27</sup> notion of “humanizing digital transformation,” where moral awareness becomes integral to innovation.

From a broader perspective, compassionate digitalization offers a conceptual model that integrates three dimensions:

1. Ethical Digital Practice – maintaining transparency, honesty, and fairness in online transactions.
2. Communal Wisdom Integration – applying cultural values such as cooperation and deliberation in digital collaboration.
3. Spiritual-Social Impact – prioritizing *barakah* and *maslahah* as key performance indicators beyond profit.

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<sup>27</sup> Ibid



This triadic model suggests that digital transformation rooted in Islamic ethics and local wisdom can achieve global relevance by promoting human-centered sustainability. The findings challenge the prevailing techno-capitalist paradigm, which often prioritizes innovation over morality. Instead, they propose an alternative framework where technology serves as an instrument for compassion and justice—an approach aligned with the Qur’anic principle, “And We have not sent you [O Muhammad] except as a mercy to the worlds” (Qur’an 21:107).

The integration of Islamic ethics and local wisdom in digital entrepreneurship contributes significantly to both theory and practice. Theoretically, this study extends the discourse on ethical digital transformation by grounding it in Islamic epistemology and community ethics. It provides empirical support for the argument that moral principles can coexist with market competitiveness when embedded as cultural capital (Beekun & Badawi, 2021). Practically, it demonstrates that Muslim entrepreneurs can navigate global markets without compromising ethical identity, thereby setting a precedent for other developing economies seeking values-driven innovation.

Moreover, the notion of compassionate digitalization offers a novel paradigm for global business ethics—one that transcends religious boundaries. It aligns with universal calls for responsible digital governance, consumer protection, and social inclusion (Rahman & Salam, 2021)<sup>28</sup>. By translating Islamic moral values into digital business behavior, entrepreneurs model a globally resonant approach to ethical capitalism. This not only enhances the moral legitimacy of Islamic economics but also contributes to global harmony through trust, tolerance, and compassion in economic interaction.

In conclusion, the findings affirm that local wisdom and Islamic economic ethics are not antithetical to digital modernization but can, in fact, humanize it. Digitalization with compassion—rooted in ‘adl, amānah, and rahmah—creates an economy that is simultaneously efficient, equitable, and empathetic. This model holds transformative potential for building digital ecosystems that embody both innovation and integrity, ultimately fostering global harmony through the moral imagination of Islamic scholarship

## CONCLUSION

In conclusion, this study underscores that digital transformation, when infused with compassion and ethical consciousness, can become a powerful instrument for global harmony. Islamic economics, grounded in divine justice and mercy, offers humanity-centered solutions for the moral challenges of digitalization. By embedding local wisdom and Islamic ethics into the fabric of digital business, Muslim entrepreneurs are not merely adapting to technological change—they are redefining it. In doing so, they exemplify the prophetic vision of economic life as an act of worship, compassion, and stewardship, affirming that the path to global progress lies not only in innovation but in integrity.

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<sup>28</sup> Ibid



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