

Critical Analysis of Increasing Community Economic Growth in the Digital Era; Perspective on the use Adopt of Islamic Fin Tech and Blockchain in Indonesia

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ABSTRACT

Technological and financial developments encourage changes in people's attitudes and behavior. This development has an impact on economic growth. Community behavior will influence economic growth in the digital era. This paper aims to conduct a critical review of society's economic growth in the digital era, with a focus on the use of Islamic Fin Tech (Financial Technology) and Blockchain technology in the context of Islamic finance. This research uses a descriptive qualitative analysis approach to describe the reality that occurred. The results of the analysis show that the birth of the theory of utilitarianism was caused by the desire to achieve social welfare that is beneficial globally and between communities, resulting in an increase in overall economic growth in society by adopting Islamic Fin Tech and Blockchain technology. Researchers study people's behavior, thereby giving birth to a perspective based on pragmatic thinking and a scientific lens, even for studying social phenomena. The utilitarian theory approach which has value relevance to the use of technology and finance to improve the community's economy is used for mutual benefits and improves the economy of each individual. The values that exist for improving the community's economy from the perspective of Islamic Fin Tech and Blockchain are for community welfare, justice and equality, used by applying ethics and privacy, and built to support sustainable development

Keywords: Utilitarian Theory, Community Economics, Islamic Fin Tech, Blockchain

INTRODUCTION

Philosophy of science, as a discipline that seeks to understand the nature of knowledge and the foundations of thought, can provide deep insight into how economics is developed, understood, and applied in complex societal and economic contexts (Natasya et al . , 2022). The social economy in the digital era that society is currently living in is a reality and existence (Simon, 2021). That the economic growth of each community continues to grow over time to meet its needs. The individual economy is every activity carried out by humans in order to fulfill their daily needs (aniella C. Sampepajung, 2022). The basic nature of humans is to obtain economic prosperity in the form of achieving wealth, money and public policies. This view is often called the utilitarian view (Pratiwi, Negoro and Haykal, 2022a).

The utilitarian view prioritizes achieving social welfare as the main goal in the economy (Pratiwi, Negoro and Haykal, 2022a). According to this view, economic decisions should be aimed at producing the greatest benefit for the greatest number of people. This approach often relies on quantitative measurements such as utility or individual satisfaction (Pratiwi, Negoro and Haykal, 2022b). The basic nature of economics is social justice which emphasizes the importance of justice and equality in achieving social welfare. Economic achievement is considered fair if all members of society have equal access (Noor, 2013). This approach often focuses on reducing economic and social disparities. Apart from that, economic growth cannot be separated from capability which emphasizes the importance of giving individuals the ability to live. Achieving social prosperity is seen as empowering individuals to gain access to financial freedom.

Ontologically, economic growth emphasizes the importance of the foundation for achieving social welfare.

A strong and developing economy is considered to provide more employment opportunities, increased income, and access to resources that improve the overall welfare of society (DKM, 2017).

With increasingly rapid advances in technology, there are great opportunities for various sectors, one of which is the financial sector (Husna Afriani, 2021). Financial Technology (fintech) is one form of progress in the financial industry today. Based on data from the Financial Services Authority, as of February 2022, there were 102 fintech operating companies with total assets of more than 4 trillion rupiah. Of course, this is proof that fintech in Indonesia continues to develop and has great potential to support the Indonesian economy. Sharia finance in recent years has also experienced quite rapid development. In the fintech industry, there are 7 sharia-based fintech organizing units.

Islamic Fintech is the use of disruptive technology to improve financial services, and more research is needed to see the impact of this technology in improving Sharia accounting and governance practices (Karim, 2022). It is important to discuss the link between technology and finance because we are now entering the era of technology 4.0 so that it becomes the focus and attention for increasing the use of technology (Fajar and Larasati, 2021).

The use of Islamic fintech has benefits compared to conventional fintech. The benefits obtained include complying with sharia principles, facilitating investment activities, having safe investment characteristics, being able to advance MSME activities, increasing financial literacy and progressing digital infrastructure and increasing digital regulations (Kurnia, 2023).

Islamic Fintech is in conformity with sharia principles (Winarto, 2020). As the name suggests, all Islamic fintech activities must comply with sharia principles. All transactions must be free from Maysir (excessive speculation, gambling), Gharar (obscurity) and Riba (interest). The basic concepts of sharia finance must also be implemented as well as possible; share profits and losses (Hasan, Hassan and Aliyu, 2020). That way, Islamic fintech will not oppress certain parties. The existence of Islamic fintech will indirectly encourage Muslims to pay more attention to halal products.

Islamic Fintech is a financial system that was born from technological advances, making investment activities easier. And basically technology was created to make human life easier in various aspects (Ahmad, 2012). It could be said, fintech is a financial system that exists using today's technology to provide convenience for many parties. Registration, transactions, and so on are made as simple as possible through the website or application, so that they can reach many people widely. All information can be accessed online, even investment transactions can be carried out in the palm of your hand anywhere and at any time, as long as you have a gadget and an internet signal.

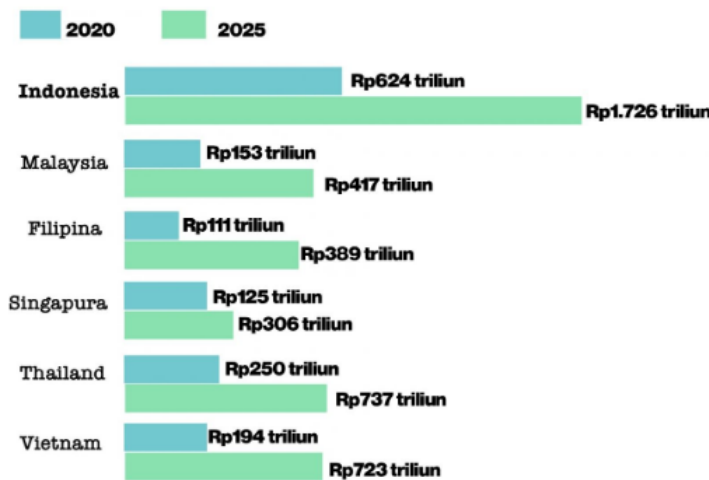
The use of Islamic fintech has the characteristics of a safe investment instrument. Islamic Fintech such as P2P Lending is a safe investment instrument. Apart from complying with sharia principles by following the DSN-MUI fatwa, all Islamic fintech activities are under the supervision of many parties for security, one of which is the Financial Services Authority (OJK). It's just that people have to be smart in looking for Islamic fintech that is registered and supervised by the OJK, so they can feel more secure and not be afraid of their money being confiscated. Islamic Fintech can advance small and medium businesses (Fajar and Larasati, 2021). One of the biggest problems for MSMEs is the lack of capital to develop their business. With the existence of Islamic Fintech, it is hoped that it can help fund MSMEs in Indonesia to develop quickly. Because Islamic Fintech does not use the concept of usury, business actors will not feel burdened by the amount of interest that must be paid.

Increasing public literacy regarding investment can be done with the presence of Islamic Fintech (Akmal and Saputra, 2016). Currently, Islamic Fintech has the potential to increase the sharia financial literacy of the Indonesian people, which is still low. Various fintech companies often hold webinars and events to

increase public financial literacy. The hope is that by increasing literacy, especially regarding investment, the public will become more aware of the importance of investment to advance Indonesia’s sharia economy. The progress of digital infrastructure can be increased through Islamic Fin tech. The progress of fin tech certainly requires the support of many parties, including the government. So that this digital fin tech ecosystem can be formed quickly, of course it requires digital infrastructure such as fiber optics, satellites and data centers. Islamic Fin tech also has the benefit of accelerating digital financial regulations. Developing digital finance must also be supported by new regulations, so that the digital financial ecosystem can grow well and regularly, without being disturbed by certain elements. The hope is that the birth of new regulations will make it easier for fin tech to develop more quickly, and can spread its wings so that more parties will be helped. The benefits of sharia fin tech for the progress of the sharia economy in our country. Immediately join sharia fin tech, so you don’t miss any information, especially regarding this fintech. You can take advantage of sharia fin tech such as *ethis.co.id*, a Productive P2P Platform that brings together Funders and SMEs with a Return system equivalent to 16% – 24% pa

Today’s sharia financial innovation cannot be separated from technological developments, so future innovations which are full of challenges in the 4.0 era need to be taken into account. As a form of innovation, apart from using Islamic Fin tech, it is also necessary to use Blockchain to support organizational performance (Junhui, 2020). Blockchain technology is the underlying mechanism of digital currency. Blockchain is basically a ledger or can be called a distributed data base for all transactions involving all parties as recorders (Rabbani *et al.* , 2022). Blockchain is a chain of sequential blocks, each of which is recorded as a ledger page.

Figure 1. Digital Economy Growth in Southeast Asia



Source: google, 2023

In the rapidly developing digital era, the global economy has experienced a major transformation. Information and communication technology has influenced various aspects of society’s economic life, including banking and finance. This paper aims to conduct a critical review of society’s economic growth in the digital era, with a focus on the use of Islamic Fin Tech (Financial Technology) and Blockchain technology in the context of Islamic finance.

RESEARCH METHODS

This paper uses descriptive research with a qualitative approach with the aim of explaining the topics discussed by the author. From the descriptive search results, a detailed and complete explanation is obtained. It is hoped that the approach used by the author can obtain information and can be used to describe

the variables, symptoms and conditions that are the focus of the discussion. The author uses secondary data obtained from bibliography and journals and other media that provide information on the theme being studied.

DISCUSSION

Background to the theory of utilitarianism

The theory of utilitarianism was born as a result of philosophical thought that developed in the 18th and 19th centuries, especially associated with the British philosophers Jeremy Bentham and John Stuart Mill (Pratiwi, Negoro and Haykal, 2022a). The background to the birth of this theory involves the social, political and economic changes that occurred at that time. In the 18th century, England experienced major changes in terms of industrialization and urbanization (Pratiwi, Negoro and Haykal, 2022a). These changes created difficult social conditions for workers and people below the middle class. Social reform was important to overcome the problems of poverty, injustice and exploitation that plagued society at that time. Jeremy Bentham, one of the founders of utilitarianism, attempted to create a practical and objective ethical system. Jeremy Bentham proposed that actions should be judged based on the principle of utility or usefulness, namely those actions that produce the greatest happiness for the greatest number of people. This view aims to provide a rational and measurable moral foundation (Denis, 2021).

The theory of utilitarianism also emerged as a reaction to the deontological ethical view which emphasizes absolute moral obligations and rules. Utilitarianism emphasizes the consequences of actions and their impact on the well-being of society as a whole, rather than simply considering compliance with fixed moral rules. The theory of utilitarianism is closely related to the liberalism thought that developed at that time. Liberal thought emphasizes the importance of individual freedom, human rights, and individual interests being respected in society (Gustafsson, 2018). Utilitarianism provides a moral foundation that is in line with liberal principles in achieving the welfare of society as a whole. Utilitarianism theory is an ethical approach that focuses on the consequences of actions and the greatest happiness for society. Even though it has experienced criticism and debate, utilitarianism remains an influential theory in moral philosophy and influences thinking in various fields, including economics.

The epistemological approach in this paper regarding the theory of utilitarianism in the context of the digital financial economy involves considering the knowledge and understanding of utilitarianism that can be applied and understood in the era of the digital financial economy. In the digital economy, there is abundant availability of data from various sources such as digital platforms, sensors, and user interactions. Applying utilitarianism in this context involves collecting, analyzing, and interpreting data to understand the impact of economic actions on the overall well-being of society. The epistemology of utilitarianism in the digital economy includes an understanding of how data is collected, processed, and used to measure possible benefits and harms.

The digital financial economy is often global and complexly interconnected. The use of utilitarianism theory must consider the long-term impact of digital financial economic actions to ensure that the resulting benefits and happiness are not only temporary or limited to certain groups. In this case, understanding the digital financial economic system, interactions between economic entities, and network effects becomes important in measuring the consequences of actions holistically. Community participation and involvement in economic decision making has an increasingly important role. Utilitarianism must consider and involve communities in the decision-making process and listening to their voices is important to ensure a fair distribution of benefits and responsiveness to their needs and desires.

Economic decisions are often based on algorithms and artificial intelligence. Ethical implications of algorithms and artificial intelligence in influencing societal welfare. Improvement in the community's

economy can be seen in the form of transparency, fairness and accountability in the use of algorithms and artificial intelligence in ensuring that digital economic decision making achieves the greatest benefit for society.

Economy in the digital era

The digital era has fundamentally changed people's behavior in interacting with the economy (Ginantra *et al.*, 2020). Information and communication technology innovations have created new opportunities in trade, production and consumption (Fajar and Larasati, 2021).

Figure 2. Digital Economy in Indonesia



Source, processed 2023

In this paper, the author explores the economy of society in the digital era through the lens of philosophy of science. This approach can help us understand how knowledge, information and technology play a role in shaping and changing society's economy.

1. The Concept of Knowledge in the Digital Era

Examine the concept of knowledge in the digital era. In the philosophy of science, knowledge is the product of observation, analysis, and interpretation. In the digital era, knowledge is increasingly connected to data and information that is available in large quantities and managed by algorithms and machines. Technology has fundamentally changed the nature of knowledge by influencing the way information is generated, stored, accessed and disseminated.

Knowledge in the digital era has advantages and challenges compared to traditional knowledge. The advantages of knowledge in the digital era include; a) Having information accessibility, the digital era provides easier and faster access to various types of information via the internet; b) Knowledge in the digital era can be updated quickly. Information can be updated in real-time, allowing us to keep up with the latest developments in various fields; c) provide diverse sources of knowledge that include a variety of viewpoints, opinions, and opinions from a variety of people and communities.

Knowledge Challenges in the Digital Era; a) Validity and Credibility, there is a lot of information available online, both valid and invalid. There is a risk of incorrect, inaccurate or unverified information; b) The abundant availability of information in the digital era can result in information overload; c) Digital information is often presented in isolation and without sufficient context.

It is important to remember that knowledge in the digital era does not completely replace traditional

knowledge, but complements and expands the accessibility of information. The validity of knowledge still depends on the quality of the information source, data collection methods, and our ability to evaluate and sort the information obtained. In both contexts, both traditional and digital, it is important to maintain a critical attitude and continue to hone information literacy skills to obtain valid and comprehensive knowledge.

2. Transition from Physical Goods to the Digital Economy

As technology advances, there will be a shift from an economy based on physical goods to a digital economy. Digital transformation has become a demand in social and state life. To realize digital transformation, the perpetrators cannot do it alone. All existing components need collaboration to make it happen. One form of digital transformation, namely encouraging the development of the digital economy.

3. Identity and Personality Formation in the Digital Era

In the digital era, individuals are increasingly involved in the production and consumption of digital content. One thing is that each individual in the digital world will form each individual's digital identity. Establishing a digital identity is the process of building and managing an online image and reputation that reflects who we are online. Digital identity can influence how other people see and interact with us in the digital world. Ways to obtain digital identity include self-reflection, consistency, privacy and security, meaningful content, networks and connections, continuous learning, managing privacy.

4. Data Power and Control

In the context of the digital economy, data has enormous value. Data owners have great power in controlling the economy. Power and control of data are very important aspects. Data is one of the key resources in the digital economy, and large companies often collect, store, analyze and utilize it to make business decisions and generate profits.

Islamic Fin Tech: Opportunities and Challenges

Islamic fin tech is a trend that connects the real economy and the financial sector (Subagiyo, 2019). Banking institutions have applied it to connect people with investment and credit using Islamic fin tech. The use of technology in organizations has the power to improve performance by carrying out technological innovation because the majority of people globally use the internet and smartphones. Using a connection via the platform. The use of digital platforms is claimed to have a transparency system and provide direct involvement between savers and borrowers in controlling finances.

Several forms of financial collaboration, using the internet as a financial alternative, forming an Islamic Fin tech business model include;

- Peer to peer finance can be said to be a lending marketplace, which is consistent in the use of a platform that directly connects savers and borrowers.
- Crowdfunding is a platform for collecting community funds that are used for individuals or narrower organizations.
- Forex exchange service, using a digital platform for collecting international currency for traders and companies that need funds.

The Islamic Fin tech-based sharia financial industry in Indonesia has only recently been established but its development is already quite good, judging from the list of financial industry organizations registered with the OJK, there are around 7 organizations. Even though it is quite new, Islamic Fin tech has high use of

technology and is managed with a good level of liquidity.

1. Financial Inclusivity

Financial inclusion, which refers to broad and fair access to financial products and services by all levels of society, is very important in economic and social development in Indonesia. However, although there has been progress, there are still a number of opportunities and challenges in efforts to increase financial inclusion in Indonesia.

Several opportunities for financial inclusion in Indonesia include; a) Increasing Access through Digital Technology: Indonesia is one of the countries with high mobile phone penetration. This provides a great opportunity to leverage digital technologies, such as mobile banking services and digital wallets, to increase access to financial services in hard-to-reach areas, b) Rapid Economic Growth: Strong economic growth in Indonesia creates opportunities for increased financial inclusion. This provides additional income to the community and encourages the growth of the financial sector, c) Government Financial Inclusion Program: The Indonesian government has launched various financial inclusion programs, such as the National Financial Inclusion Program (PNKI) and the Pre-Employment Card, to increase public access to financial services and training.

Apart from having opportunities for financial inclusion, it also has challenges to be developed. These challenges include; a) Limited Access to Financial Infrastructure: There are still areas in Indonesia that are difficult for financial institutions to reach. Limited infrastructure is the main obstacle to increasing financial inclusion, b) Low Financial Literacy: The level of financial literacy among Indonesian people is still low. Many people do not properly understand the financial products and services available, so they are less able to make smart financial decisions, c) Data and Privacy Insecurity: Data security and privacy are issues that need attention. Concerns about misuse of data and leakage of personal information can hinder the adoption of digital financial services, d) Gender Inequality: Gender inequality in access and utilization of financial services is still a problem in Indonesia. Special efforts need to be made to ensure that women have the same opportunities as men in accessing financial services.

Financial inclusion has great potential to improve the welfare of Indonesian society and encourage more inclusive economic growth. However, to achieve this, there needs to be a joint effort from the government, financial institutions and society to overcome challenges such as limited access, low financial literacy and data privacy issues. By overcoming these challenges, Indonesia can take advantage of financial inclusion opportunities to create a more prosperous and sustainable society.

2. Sharia Compliance

Islamic Fin Tech is a fast-growing industry in the digital era, offering financial services in accordance with Sharia principles. However, in an effort to ensure sharia compliance in Islamic Fin Tech, we need to understand the underlying philosophical aspects. This paper will explain the importance of a philosophical perspective in understanding and ensuring sharia compliance in Islamic Fin Tech.

The concept of Sharia principles in Islamic Fin Tech. These principles include the prohibition of usury, the prohibition of investment in businesses that are prohibited under Islamic law, and the principle of justice in the distribution of wealth.

3. Security and Privacy

The use of Islamic FinTech, which offers financial services in accordance with Sharia principles, has grown rapidly in the digital era. However, with this growth, attention to data security and user privacy has become

increasingly important. Sharia principles, such as the prohibition of usury and the concept of justice, require protection of privacy and confidentiality in financial transactions. This principle creates an ethical basis for Islamic Fin Tech to prioritize user privacy in the use of technology.

4. Transparency and accountability

The principles of transparency and accountability are a necessity in the field of sharia accounting. Accounting is the art of measuring, communicating and interpreting general economic activity. Accounting also known as the language of business is a tool for communicating financial information to interested parties. Accounting as a set of knowledge, is defined as “a set of knowledge that studies the engineering of providing services in the form of quantitative financial information to organizational units within a particular country and the delivery (reporting) of this information to interested parties to be used as a basis for making economic decisions. Accounting is the measurement, description, or assurance of such information that can help managers, investors, and boards with internal decisions of trade associations or authorities. Create accounting targets. Accurate financial reports that can be used by policy decision makers and other parties such as shareholders, creditors or owners. The philosophical principles of transparency and accountability refer to the obligation of Islamic Fin Techs to disclose their practices to users.

The increasing number of financial management using sharia principles in various parts of the world has given rise to the demand for sharia accounting records. The emergence of Islamic finance in particular must fulfill and comply with Sharia principles. Activities that are not permitted in sharia financial principles include prohibited activities, speculation, uncertainty and risk. Sharia accounting and finance principles are fundamental truths about handling activities based on sharia principles. In relation to money in sharia finance, the imposition of usury or interest in economic activities is prohibited, money in Islam is always used in fair transactions, and there is an appeal to contribute Zakat from income and profits. Sharia accounting has a set of financial instruments including profit sharing (Mudharabah), custody (Wadiah), joint venture (Musyarakah), cost plus finance (Murabahah), leasing (Liar), international funds transfer system (Hawala), Islamic insurance (Takaful), and Sharia Bonds (Sukuk). This is the instrument used in using sharia accounting. These instruments are included in financial technology and blockchain activities.

The relationship between Islamic FinTech and sharia accounting is related in various ways, including; 1) use of technology to facilitate financial management in sharia accounting; 2) Fintech can be used to develop sharia financial products such as interest-free loans and sharia insurance; 3) the application of sharia principles in fintech helps ensure that the products and services offered comply with sharia principles; 4) Islamic FinTech can also help facilitate financial transactions between institutions and financial instruments

The digital era requires that security and privacy in Islamic Fin Tech are issues that require ethical and philosophical considerations. Sharia principles, ethics, transparency, accountability and data security all have important relevance in maintaining user trust and the integrity of Islamic FinTech. By understanding and integrating these philosophical aspects, we can ensure that the use of Islamic Fin Tech remains in line with its underlying ethical and Sharia principles. In the conclusion, we summarize the importance of a philosophical perspective in maintaining security and privacy in the use of Islamic Fin Tech.

Blockchain in Islamic Finance: Potential and Risks

Blockchain technology is an advanced database mechanism that enables transparent sharing of information in business networks (Rabbani, 2020). Blockchain databases store data in blocks that are linked together in a chain (Hasan, Hassan and Aliyu, 2020). Data is chronologically consistent because you cannot delete or change a chain without consensus from the network. As a result, you can use blockchain technology to create an immutable or immutable ledger to track orders, payments, accounts, and other transactions. The system has built-in mechanisms to prevent unauthorized entry of transactions and create consistency in

the shared view of these transactions.

Traditional database technology presents several challenges in recording financial transactions. For example, it can be seen in the case of property sales. Once the money is paid, ownership of the property is transferred to the buyer. Individually, both buyers and sellers can record monetary transactions, but neither source can be trusted. Sellers can easily claim that they have not received the money even though they have, and buyers can equally argue that they have paid the money even though they have not.

To avoid potential legal issues, a trusted third party must monitor and validate transactions. The presence of this central authority not only complicates transactions but also creates a point of weakness. If the central database is compromised, both parties can suffer. Blockchain mitigates these problems by creating a decentralized and tamper-proof system for recording transactions. In a property transaction scenario, the blockchain creates ledgers, one for each buyer and seller. All transactions must be approved by both parties and automatically updated in both ledgers in real time. Any change in historical transactions can corrupt the entire ledger.

Blockchain technology has become one of the most promising innovations in the world of finance. This ledger distribution system, originally developed to support cryptocurrencies such as Bitcoin, has inspired major changes in various sectors, including banking, logistics, healthcare, and more. Blockchain has developed rapidly in the national and global financial industry. There are several benefits of blockchain for the Islamic financial system. Apart from that, Islamic financial products also have great potential in using the blockchain system. Blockchain can benefit the Islamic financial system through smart contracts, transparency and security.

1. Contract Enforcement

Smart contracts are part of blockchain transactions that are used or executed on a blockchain system. In general, there are three main advantages for Islamic financial systems using smart contracts; a) Increased efficiency as a result of network validation transactions on the blockchain, and the elimination of intermediaries that have existed. Apart from that, smart contracts provide high speed in implementing each transaction with automation with high accuracy thereby eliminating human error, b) Reducing transaction costs. Miners on the blockchain openly verify and add blocks of transactions to the chain which can cut costs that would normally occur in traditional processes. Potential cost savings also come from reduced infrastructure, operational and commercial costs, c) Another benefit that smart contracts can provide is greater transparency and decentralization. Transactions that use encryption avoid the possibility of data being accessed unauthorizedly. Additionally, backup and duplicate data are available on the blockchain system. Therefore, security with smart contracts is more guaranteed than with manual systems.

Combining Islamic financial instruments and technology has resulted in several sophisticated Islamic financial products. There are at least three sharia financial products and instruments that can utilize the blockchain system through smart contracts, namely sukuk, takaful, and sharia social funds (zakat and waqf).

2. Transparency

In the world of finance, transparency is a very important thing. Transparency is used as a measure of the credibility of a company or a country. Blockchain is a new technology that provides good transparency according to the blockchain mechanism which can produce report output according to the actual situation.

3. Security and Scalability

Data security is a top priority in the use of blockchain in Islamic finance. As a technology based on

transparency and openness, maintaining the confidentiality and integrity of user data is important. The Philosophical Perspective teaches that trust and integrity are key elements in the financial system. Blockchain must be organized and implemented in such a way that user data is safe from cyberattacks, theft and leaks.

Robust and legitimate identification of users is important in preventing blockchain abuse in Islamic finance. However, maintaining user privacy is also an important consideration. The importance of justice and individual freedom in the economic system. Therefore, a wise approach must strike a balance between protecting user identities and ensuring that these identities are not misused. Scalability Challenges Blockchain is currently facing scalability challenges in the form of handling large and increasing transaction volumes. A slow or too busy blockchain network can hinder operational efficiency. The philosophical perspective of scalability is key in enabling wider financial access and better services. By ensuring that blockchain technology can continue to develop without compromising Sharia principles.

The use of blockchain technology in Islamic finance offers great potential, but also brings a number of challenges that must be overcome. With a wise approach, it can enable better integration between technology and the ethical and philosophical values of Islamic finance. Security and scalability are two main aspects that need to be considered from a technical and philosophical point of view. In conclusion, efforts to overcome these challenges are key in harnessing the potential of blockchain in Islamic finance.

The relevance of Utilitarian Theory to the economic growth of society from the perspective of Islamic FinTech and Blockchain

Utilitarianism emphasizes the importance of achieving the benefits and welfare of society as a whole (Liu *et al.*, 2020). In the context of the digital economy, economic growth that focuses on the benefits and welfare of society can be considered an important moral goal (Pratiwi, Negoro and Haykal, 2022a). Utilitarianism emphasizes that economic decisions and actions should be directed to achieve the greatest benefit for the greatest number of people. By using Islamic Fin Tech and Blockchain, it connects individuals in financial activities so that it has great benefits in providing increased income and wealth for many people.

Moral values such as justice and equality are also important considerations in the growth of the digital economy. Utilitarianism views the importance of distributing economic benefits fairly and evenly. In this context, digital economic growth must pay attention to social and economic disparities that may arise, and ensure that benefits and opportunities are accessed fairly by all members of society. The use of Islamic Fin Tech and Blockchain can be accessed by everyone so that the principle of justice is created for all members of society.

Data ethics and privacy in the digital economy, data use is a crucial aspect. Moral values such as privacy and data ethics are important for the growth of the digital economy. Ethical growth in the digital economy must address privacy protection, individual freedom, and responsible use of data. Utilitarianism emphasizes the importance of optimizing overall benefits without sacrificing individual values and rights. The use of Islamic Fin Tech and Blockchain in its development emphasizes the principles of data ethics and privacy as a priority so that the possibility of data being misused is smaller. This provides an opportunity to continue to improve service innovation from Islamic Fin Tech.

Sustainable Development by taking a digital economic approach in accordance with current developments so that technology continues to develop. The use of traditional economic principles is now starting to be abandoned and shifted to the digital economy. Innovations in improving services that organizations continue to carry out by improving sustainable Islamic FinTech and Blockchain with the aim of sustainable economic growth must pay attention to their impact on the environment and society in the future. Utilitarianism views the importance of considering long-term consequences and ensuring that digital economic growth does not

damage the sustainability of natural resources and the balance of the ecosystem.

CONCLUSION

Critically examining the increase in economic growth of Indonesian society in the digital era or the use of technology as a tool to increase society's growth from the perspective of using Islamic fintech and blockchain is an action that needs to be taken. With the use of technology and finance, economic growth continues to have the potential to increase compared to the traditional economy. By utilizing Islamic FinTech and Blockchain, it can grow and be in line with unstable conditions due to external and internal factors which encourage and help stabilize or even increase the economic growth of society through increasing and developing knowledge and technology. Islamic FinTech and Blockchain have great potential to improve society's economy with the use of financial technology. The utilitarian theory approach which has value relevance to the use of technology and finance to improve the community's economy is used for mutual benefit and improves the economy of each individual. The values that exist for improving the community's economy from the perspective of Islamic FinTech and Blockchain are for community welfare, justice and equality, used by applying ethics and privacy, and built to support sustainable development.

In Indonesia, the majority of the population is Muslim, therefore the direction of Islamic finance in Indonesia continues to develop in accordance with the principles of sharia economic development to become the center of world Islamic finance. Various forms of Islamic FinTech and Blockchain can improve the community's economy which have been discussed briefly. It can be concluded that by utilizing Islamic FinTech and Blockchain, the community's economy can be improved. This increase is due to the use of Islamic FinTech and Blockchain, financial access can be wider, transaction efficiency can provide growth for MSME businesses, cost savings and increase financial literacy as well as providing safe investments.

This paper contributes to the development of knowledge through concepts used in the digital economy to support increased economic growth in society through the use of Islamic fintech and Blockchain technology using a basic utilitarian theoretical approach. The implications of applying theory to this concept can be tested exploratively on how the use of fintech and blockchain can be accepted by society through an empirical test research approach.

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