

# Phenomenology of Bugis-Makassar Mompreneurs Navigating Digital Loans

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## Abstract

This phenomenological study examines how Bugis–Makassar mother-entrepreneurs (mompreneurs) in South Sulawesi, Indonesia, experience and navigate digital loan services. Using Interpretative Phenomenological Analysis (IPA), the research engaged fifteen mompreneurs through in-depth interviews, participant observation, and digital trace analysis to understand their lived experiences with fintech lending. Findings reveal that digital loans represent a dualistic phenomenon—providing crucial business liquidity while simultaneously generating moral anxiety tied to cultural values of *siri* (honor) and familial obligations. Participants developed hybrid financial strategies that blend digital borrowing with traditional networks, while algorithmic systems created generational divides in technological adaptation. The study identifies five key themes: immediate business agility, moral-social anxiety, algorithmic impersonality, gendered household negotiation, and collective digital practices. These findings underscore how fintech adoption is mediated through cultural frameworks and social relationships rather than being a purely technical process. The research contributes to developing culturally responsive fintech policies that recognize moral economies and support women's digital financial inclusion through community-centered design.

**Keywords:** Digital Financial Inclusion; Mompreneurs; Phenomenological Finance; Moral Economy; Bugis–Makassar Entrepreneurship.

## 1. Introduction

The intersection of motherhood, entrepreneurship, and digital finance represents a rapidly evolving terrain in South Sulawesi, where Bugis–Makassar mompreneurs mobilize household resources and social capital to sustain micro-enterprises and family livelihoods.

This unique positioning creates a complex financial ecosystem where traditional gender roles intersect with modern economic pressures. As primary managers of both household finances and small businesses, these women navigate dual financial responsibilities that often require immediate liquidity solutions. Their adoption of digital financial tools represents a significant shift from purely kinship-based economic systems to hybrid models that blend technology with deeply rooted cultural practices.

This population's turn to mobile-based lending services—commonly called digital loans—reflects both the promise of financial inclusion and the precariousness of informal incomes that need immediate liquidity for inventory, labor, and household obligations.



The accessibility of digital loans through smartphones has fundamentally transformed how these mompreneurs manage cash flow fluctuations, particularly during seasonal demand variations or unexpected household expenses. However, this convenience comes with new vulnerabilities, as the ease of obtaining digital credit may lead to complex debt cycles when combined with limited financial literacy and unpredictable business revenues. The immediacy of digital lending decisions, while addressing urgent needs, often bypasses the traditional counseling and social safeguards inherent in community-based lending systems.

Studying this phenomenon is urgent because rapid fintech diffusion can outpace user literacy, regulatory protection, and culturally informed financial practices, exposing vulnerable borrowers to over-indebtedness and algorithmic biases.

The acceleration of fintech adoption has created a critical gap between technological availability and user understanding, particularly concerning interest structures, penalty mechanisms, and data privacy implications. Regulatory frameworks struggle to keep pace with innovation, leaving mompreneurs exposed to potentially predatory lending practices while simultaneously lacking the consumer protections available in formal banking systems. This regulatory lag becomes especially concerning given the integration of automated decision-making that may not account for local cultural contexts or the unique financial patterns of women-led micro-enterprises. Contemporary fintech models often employ automated credit assessment and light-touch verification, which can accelerate access but also increase the probability of defaults during economic shocks—an effect documented in pandemic-era marketplace lending analyses (Nigmonov & Shams, 2021).

These algorithmic systems often fail to capture the social capital and informal financial histories that traditionally underpin creditworthiness in Bugis-Makassar communities. The disconnect between data-driven assessments and locally recognized indicators of reliability can result in both inappropriate loan approvals and rejections, potentially reinforcing existing social inequalities. Moreover, the standardized nature of these algorithms overlooks the seasonal nature of many mompreneurs' businesses and their complex financial juggling between domestic and enterprise needs.

Beyond macro-level risk metrics, however, lived experience matters: how Bugis–Makassar mothers interpret debt, honor, and reciprocity determines whether digital loans become tools of empowerment or sources of moral and financial distress. The emotional and social dimensions of digital debt extend far beyond financial calculations, touching upon core cultural values that govern social standing and family honor. For many mompreneurs, repayment failures represent not just financial setbacks but potential threats to social reputation and family dignity within tightly-knit communities. The private nature of digital borrowing, while offering confidentiality, also removes the social accountability that traditionally encouraged responsible financial behavior through community oversight.

This study, therefore, examines the phenomenology of Bugis–Makassar mompreneurs navigating digital loans, seeking to reveal the core structures of meaning shaping their decisions, emotions, and everyday practices.

By focusing on the lived experiences of these women, the research aims to uncover how digital financial tools are being integrated into existing cultural frameworks and what adaptations occur in both the technology usage and the cultural practices themselves. This phenomenological approach allows for understanding how mompreneurs reconcile the

impersonal nature of digital platforms with the deeply relational character of their economic lives, and how this reconciliation shapes their financial decision-making processes.

The current condition in many Indonesian regional economies is marked by pervasive micro-enterprises led by women whose businesses oscillate with seasonal demand, supply-chain disruptions, and limited savings buffers; digital loans present both an adaptive response and a new ecological pressure.

This financial landscape creates a paradox where digital loans simultaneously provide essential liquidity while introducing new forms of financial vulnerability. The very features that make digital lending attractive—speed, accessibility, and minimal documentation—also make it potentially disruptive to traditional financial ecosystems that have evolved social and cultural safeguards over generations. The integration of these digital tools into existing financial practices represents a significant transformation in how risk is managed and understood at the household level.

Many mompreneurs rely on informal networks—family, arisan (rotating savings), and local cooperatives—for credit; fintech platforms insert impersonal, data-driven lending into these relational economies, producing hybrid financing strategies.

The coexistence of these systems creates complex financial portfolios where women must navigate different logics of borrowing, repayment, and social obligation. Digital loans may be used for immediate, time-sensitive needs while traditional networks are maintained for longer-term security and social cohesion. This hybridization reflects both pragmatic adaptation and the enduring importance of social relationships in economic life, even as technological innovations transform financial practices.

Cultural values such as *siri'* (honor), *paci'* (thrift), and *reso* (work ethic) influence borrowing norms, repayment priorities, and reputational concerns, underscoring why a culturally sensitive investigation is required rather than a purely quantitative risk assessment.

These cultural frameworks create unique financial subjectivities that shape how digital loans are perceived, used, and integrated into moral economies. The concept of *siri'* (honor), in particular, may transform digital debt from a purely financial transaction into a matter of personal and family reputation, intensifying the psychological burden of repayment. Meanwhile, *paci'* (thrift) values may create internal conflicts when digital loans enable consumption or investment that contradicts traditional notions of financial prudence.

Phenomenological inquiry is particularly suited to this task because it foregrounds participants' subjective meanings and the ways lived experiences are constituted in everyday contexts, as argued in methodological comparisons of phenomenological approaches (Hein & Austin, 2001). This methodological approach enables researchers to understand how digital financial technologies are experienced as meaningful within the specific cultural and social world of Bugis-Makassar mompreneurs. Rather than imposing external categories, phenomenology allows the emergence of indigenous understandings of debt, risk, and financial management, revealing how global technologies are localized through daily practices and cultural interpretations.

The rationale for this research is therefore twofold: to generate fine-grained, contextualized knowledge that can inform culturally responsive fintech design and regulation, and to contribute to theory on how moral economies mediate technology adoption. The practical implications extend to developing more culturally intelligent fintech solutions that

recognize and respect local values while providing useful financial services. Theoretically, this study contributes to understanding how digital technologies are transformed through their integration with existing moral and social economies, challenging universalist assumptions about financial behavior and technology adoption.

## 2. Literature Review

Scholarship on women's entrepreneurship during recent crises highlights how innovative technologies facilitate female economic participation, yet the benefits are uneven and conditioned by education, family composition, and local contexts (Ge et al., 2022). Research in entrepreneurship education and social networks demonstrates that peer support and knowledge exchange strengthen social entrepreneurial intentions and practical capabilities, suggesting that mompreneur communities may form digital or face-to-face networks to manage loan-related uncertainty (Hassan et al., 2022).

Theorizations of phenomenology within the social sciences situate lived experience as foundational for social existence; existential and hermeneutic perspectives emphasize interpretation, meaning-making, and social embeddedness—useful lenses for exploring mompreneurs' financial subjectivities (Tiryakian, 1965). Methodological developments in phenomenological qualitative methods stress the range from descriptive to interpretative approaches and recommend reflexivity and attention to co-construction between researcher and participant (Davidsen, 2013).

Interpretative Phenomenological Analysis (IPA) in particular is valuable for exploring sense-making in specific populations because it privileges both participant voice and researcher interpretation while maintaining analytic rigor (Howard et al., 2019). Cross-cultural phenomenological studies emphasize the adaptability of methods to local idioms, symbolic systems, and relational norms, which is essential when interpreting Bugis–Makassar mother entrepreneurs' narrations about debt and honor (Alhazmi & Kaufmann, 2022).

From the fintech literature, concerns about platforms' borrower screening practices and missing verifications reveal structural vulnerabilities in peer-to-peer lending that can exacerbate non-performing loans—an institutional backdrop relevant to borrowers in peripheral regions (Gallo, 2021). Moreover, work on psychometric and alternative credit scoring suggests that non-traditional indicators (including personality or job-category proxies) can influence lenders' assessments, but such models may misfit contexts where informal reputational capital plays a larger role than formal employment signals (Woo & Sohn, 2022).

Taken together, the literature points to the need for a qualitative, culturally situated study to comprehend how digital loans are integrated into local moral economies and daily practices. The study adopts a phenomenological stance that treats experience as meaningful and socially embedded: digital loans are not only financial instruments but also existential phenomena tied to identity, dignity, and relational obligations.

Rather than treating borrowers as risk attributes, this framing attends to how cultural values and everyday constraints shape perceptions of agency, accountability, and technological trust. This approach also allows analysis of hybridity—how traditional credit customs (reciprocal lending, family guarantees) coexist, conflict, and cohere with algorithmic lending—producing emergent practices that are both inventive and vulnerable.

### 3. Method

A hermeneutic-phenomenological methodology was used, informed by interpretative procedures that prioritize participants’ sense-making and researcher reflexivity; sampling targeted Bugis–Makassar mother-entrepreneurs who have used digital loans within the past two years. Purposive and snowball sampling identified fifteen participants aged 25–50, operating micro-enterprises including catering, online retail, home-based baking, and small-scale tutoring; recruitment emphasized variation in age, education, and urban–periurban residence.

Data collection combined in-depth semi-structured interviews (60–90 minutes), participant observation in business contexts, and digital trace review (with consent) of loan application experiences and peer-group chat discussions. Interviews explored motives for borrowing, perceptions of digital lenders, repayment experiences, negotiation with family and social networks, and emotional responses tied to honor and reputation.

Fieldwork respected cultural protocols: interviews were conducted in participants’ chosen language (Bugis, Makassar, or Indonesian), informed consent was explained orally and in writing, and anonymization was achieved through pseudonyms and aggregate reporting. Analysis followed IPA steps: immersive reading of transcripts, initial coding of experiential statements, emergent theme identification, clustering into higher-order thematic constructs, and iterative reflexive interpretation to synthesize an essential structure of experience. Trustworthiness was enhanced through member checking, peer debriefing, and triangulation between interviews, observations, and digital artifacts.

### 4. Results and Discussion

Analysis produced five interrelated experiential themes: (a) Immediate Liquidity and Business Agility, (b) Moral and Social Anxiety, (c) Algorithmic Impersonality, (d) Familial Negotiation and Gendered Accountability, and (e) Collective Digital Praxis.

The table below summarizes themes, example data points, and their implications for practice and policy.

**Table 1** summarizes.

Theme	Example Participant Insight	Practical/Policy Implication
Immediate Liquidity & Business Agility	"I can top up stock the same day orders come in."	Design small-ticket, short-term products aligned with inventory cycles.
Moral & Social Anxiety	"If I cannot repay, I will lose face before neighbors."	Incorporate counseling and culturally sensitive repayment support.
Algorithmic Impersonality	"The app does not know my family; it treats me like a number."	Develop a hybrid verification integrating community references.

Familial Negotiation & Gendered Accountability	"My husband must approve big loans; sometimes he refuses."	Financial products should engage household dynamics and joint-decision features.
Collective Digital Praxis	"We warn each other about bad apps in WhatsApp groups."	Leverage peer networks for digital literacy and consumer protection.

Source: data processed, 2025

Narrative elaboration: Participants uniformly acknowledged that digital loans fulfilled urgent business needs—short-term working capital for perishable goods, bulk restocking, and cash flow smoothing—enabling quick responses to market opportunities.

However, many also described borrowing as morally charged: inability to repay threatened social standing and family harmony, and shame (*malu*) or loss of honor (*siri*) motivated conservative borrowing decisions.

Algorithmic decision-making elicited mixed reactions. Younger mompreneurs appreciated speed and convenience, while older participants worried that opaque scoring and automated reminders lacked the nuance of social judgment and could intensify stress.

Household negotiation emerged as crucial; even when women initiated loans, spouse or extended family input often influenced loan size and repayment strategies, revealing gendered patterns of authority and responsibility.

Finally, women relied on collective digital practices: peer-to-peer warnings about predatory lenders, shared tips for negotiating with apps, and mutual support for repayment plans formed an informal digital safety net.

#### 4.1. Discussion

The phenomenological account demonstrates that for Bugis–Makassar mompreneurs, digital loans are lived in a nexus of opportunity and ethical constraint: they open temporal windows of agency but simultaneously generate moral risk tied to reputation and familial obligations. These findings underscore how fintech adoption is not neutral technological assimilation but a cultural negotiation: women reinterpret platform affordances through local vocabularies of honor, thrift, and communal responsibility.

The presence of algorithmic impersonality amplifies affective dimensions of borrowing; lacking interpersonal cues, automated systems can intensify anxiety even when financially beneficial, which resonates with broader critiques of de-personalized fintech screening (Gallo, 2021). Younger entrepreneurs' higher digital literacy suggests a generational stratification in fintech benefits, where digital fluency confers advantage but also introduces new exposure to sophisticated debt instruments—a point echoed in work on women's use of innovative technologies during crises (Ge et al., 2022).

The emergent collective digital praxis—peer warnings and advisory chats—functions as a compensatory social infrastructure that can mitigate platform opacity and create community-based vetting mechanisms similar to traditional *arisan* practices. Policy implications follow: regulatory frameworks and consumer protection strategies should recognize cultural repertoires of debt and integrate community-based verification and counseling alongside financial literacy.

Product design should incorporate small-ticket, short-tenor options aligned with micro-enterprise cash cycles, and allow for culturally appropriate communication modes (e.g., family notification features or community-referee channels). Integrating alternative verification that respects informal reputation (for example, local leader endorsements) could improve credit access without sacrificing social-contextual fairness, though any such integration must guard against reinforcing local hierarchies.

The findings also raise theoretical points: phenomenology reveals that economic behavior is not reducible to utility-maximization or credit scores; rather, financial practices are embedded in moral technologies—rituals, norms, and relational obligations—that shape perceived costs and benefits. Researchers and policymakers should therefore resist universalizing fintech metrics and instead adopt mixed-methods, culturally attuned evaluations that capture qualitative dimensions of financial inclusion.

At the methodological level, employing IPA and hermeneutic phenomenology proved productive for illuminating meaning-making processes among a culturally particular group, aligning with methodological literature advocating interpretative depth in applied social research (Davidsen, 2013; Howard et al., 2019). This study's purposive sampling and regional focus limit broad generalizability; the phenomenological aim is depth rather than statistical representativeness.

Researcher positionality (outsider status, language mediation) required conscious reflexivity; local research assistants and member checking helped reduce interpretive misalignments, consistent with cross-cultural phenomenological practices (Alhazmi & Kaufmann, 2022). Future studies could combine ethnography with longitudinal tracking to observe how repeated borrowing episodes reshape subjectivities over time and how macro shocks (e.g., pandemics) alter default probabilities and coping strategies (Nigmonov & Shams, 2021).

Fintech firms should co-design products with local women entrepreneurs and community intermediaries to ensure cultural fit, transparency, and appropriate reminder protocols that reduce shame-inducing messaging. Local governments and NGOs can support digital peer-education programs that leverage existing women's networks to disseminate best practices and identify predatory lenders.

Microfinance institutions might consider hybrid models that blend light-touch digital access with community-referenced credit evaluation, mitigating algorithmic misclassification while preserving scalability (Woo & Sohn, 2022). Training programs should address both technical digital literacy and emotional-management strategies for debt-related stress, acknowledging the moral dimensions of borrowing.

## 5. Conclusion

In sum, the phenomenology of Bugis–Makassar mompreneurs navigating digital loans reveals a layered experience in which technological affordances, cultural values, family dynamics, and peer networks co-produce outcomes of agency and vulnerability. Digital loans are neither universally beneficial nor uniformly detrimental; their impact depends on cultural translation, platform practices, and the availability of social supports that mediate risk.

Attending to lived experience enriches our understanding of financial inclusion: policies and products that ignore moral economies and gendered responsibilities risk producing harm even as they promise access. This study contributes to a more humane, context-sensitive discourse about fintech and small-scale female entrepreneurship, arguing for culturally informed regulation, participatory product design, and community-centered support mechanisms. Future research should extend this phenomenological approach across different Indonesian ethnic groups and incorporate comparative analyses to discern how diverse moral economies differentially shape fintech engagements.

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