
The Lived Experience of Financial Inclusion 3.0: Interpreting the Financial Connectedness of Urban Communities in Makassar

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Abstract

The rapid evolution towards digital financial services, termed "Financial Inclusion 3.0," necessitates a deeper understanding of its human impact beyond quantitative access metrics. This study aims to explore the lived experiences and subjective meanings of financial connectedness among urban society in Makassar, Indonesia. Utilizing a qualitative methodology with an Interpretative Phenomenological Analysis (IPA) approach, data were collected through in-depth interviews with 18 active users of digital financial services. The findings reveal that financial connectedness is a complex phenomenon driven by structural necessity, manifesting as a layered use of digital tools. A core finding is the profound ambivalence experienced by users, who report enhanced agency and control alongside significant anxiety over security and the intangible nature of digital money. These contradictions crystallize into critical paradoxes: the efficiency-vulnerability paradox, where financial convenience creates new risks of over-indebtedness, and the inclusion-exclusion paradox, where digital progress marginalizes less technologically adept groups. The study concludes that Financial Inclusion 3.0 is a double-edged phenomenon. A key practical implication is the urgent need for policymakers and financial institutions to shift focus beyond expanding access towards designing ecosystems that actively build trust, ensure consumer protection, promote digital literacy, and foster genuine financial well-being, thereby navigating the inherent paradoxes of the digital financial age.

1. Introduction

1.1 Background of the Study

The global financial landscape is undergoing a profound transformation, driven by digitalization. The COVID-19 pandemic acted as a significant catalyst, accelerating the adoption of digital financial services (DFS) worldwide. In Indonesia, this shift is central to the national strategy for economic growth and financial inclusion. According to the World Bank (2021), financial inclusion is no longer just about having a bank account;

it is about the ability to access and effectively use a suite of financial services that can improve lives and livelihoods.

Indonesia has made remarkable strides in financial inclusion. The Global Findex Report 2021 by the World Bank showed that account ownership among Indonesian adults rose to over 50%, a significant jump from previous years, largely fueled by the adoption of digital payments. This evolution has given rise to what experts term the next stage of financial inclusion. Sarma (2015) initially defined financial inclusion as a multidimensional concept encompassing access, availability, and usage of financial services. Building on this, the concept has evolved into Financial Inclusion 3.0 a paradigm characterized by hyper-connectivity, platform-based services, and the seamless integration of finance into daily life through super-apps, digital investment platforms, and embedded finance (GPFI, 2020). This stage moves beyond mere access to focus on meaningful usage and empowerment.

As an urban hub in Eastern Indonesia, Makassar represents a compelling microcosm of this national digital transition. The city's growing middle class and tech-savvy population are rapidly embracing digital banking, e-wallets, and online financial products. Data from the Financial Services Authority (OJK) for South Sulawesi indicates a consistent annual increase of over 15% in digital banking transactions in the region, reflecting a broader behavioral shift (OJK, 2023). However, while quantitative data tracks adoption rates, a critical gap remains in understanding the human experience behind these numbers.

The push for digital inclusion, while beneficial, is not without its potential paradoxes. Scholars like Carbo et al. (2005) have long warned that inclusion can be a double-edged sword, potentially leading to over-indebtedness or a false sense of financial security if not accompanied by genuine understanding. In the digital context, this translates to questions about whether technological connectivity equates to true financial empowerment. Are users simply performing transactions, or are they feeling more in control, secure, and capable of achieving their financial goals? As Collins et al. (2009) argue in their seminal work *Portfolios of the Poor*, the daily financial lives of individuals are complex, and understanding their lived reality is crucial for designing effective systems.

This study contributes to the literature on financial inclusion by introducing a phenomenological understanding of "Financial Inclusion 3.0" a phase characterized by digital interconnectivity, behavioral algorithms, and affective engagement with financial technologies. Unlike previous quantitative studies that focus on access and usage metrics, this research explores the lived experiences, paradoxes, and emotional dynamics of urban users in Makassar. By grounding the concept of digital inclusion in everyday practices, this study offers a new interpretive framework that connects financial inclusion with digital trust, emotional security, and perceived vulnerability.

Therefore, this study is positioned to address this gap. It seeks to move beyond the metrics of adoption and delve into the subjective, lived experiences of urban society in Makassar. By exploring how individuals perceive, interpret, and find meaning in their newfound financial connectivity, this research aims to uncover the nuanced reality of Financial Inclusion 3.0. Understanding these experiences is vital for policymakers, financial institutions, and educators to ensure that the digital financial ecosystem develops in a way that is not only efficient but also truly empowering and responsive to human needs.

1.2 Problem Statement and Research Questions

The rapid digitization of financial services in Indonesia, particularly in urban centers like Makassar, is an established trend. Quantitative data confirms high adoption rates of digital banking and payment platforms. However, what remains poorly understood is the lived experience of individuals within this new financial ecosystem. There is a critical lack of qualitative insight into how urban populations perceive, interpret, and derive meaning from their "financial connectedness" in the era of Financial Inclusion 3.0. Without this understanding, there is a risk that the design of financial products, regulatory frameworks, and educational initiatives may fail to address the real-world challenges, aspirations, and psychological impacts on end-users, potentially leading to a disconnect between technological advancement and genuine financial well-being.

To systematically investigate this problem, this study is guided by the following research questions:

- a. What are the patterns and drivers of financial connectedness experienced by urban society in Makassar within the digital financial ecosystem?
- b. How do individuals interpret and assign meaning to this financial connectedness in the context of their daily financial management, security, and future planning?
- c. What are the perceived paradoxes, including both empowering and disempowering experiences, associated with being financially connected in the digital age?

2.1 Literature Review

2.1 Purpose and Approach in Literature Review

The literature review represents the theoretical core of a research article. Its purpose is to "look again" (re + view) at what other researchers have done regarding a specific topic (Leedy & Ormrod, 2005, p. 70). A literature review is a means to an end, namely to provide background and motivation for the objectives and hypotheses that guide your own research (Perry et al., 2003, p. 660).

A good literature review does not merely summarize relevant previous research. In the literature review, the researcher must critically evaluate, reorganize, and synthesize the work of others (Leedy & Ormrod, 2005, p. 84). In a sense, compiling a literature review is like making a smoothie: the end product is a condensed mix that differs totally in appearance from the individual ingredients used as inputs. The key to a successful literature review lies in your ability to "digest" information from various sources, critically evaluate it, and present your conclusions in a concise, logical, and reader-friendly manner.

2.2 Conceptual Foundation: From Financial Inclusion to Lived Experience

The core concept in this research is financial inclusion, traditionally measured through access metrics like bank account ownership. Sarma (2015) defines financial inclusion as a process that ensures ease of access, availability, and use of the formal financial system by all members of an economy. However, the wave of digitalization has shifted this paradigm. GPMI (2020) suggests that the era of Financial Inclusion 3.0 is characterized by deep integration between financial services and digital life, where the boundaries between banking, e-commerce, and social media become blurred. This research argues that traditional quantitative approaches, while important, are no longer sufficient to capture this new reality.

Therefore, this study adopts a theoretical lens focused on lived experience. This approach is rooted in phenomenology, which emphasizes understanding individuals' subjective experiences of their world. In the financial context, Collins et al. (2009) convincingly demonstrated that to understand the financial behavior of people, one must delve into the complex "portfolios" of financial tools they use and the meaning they assign to these tools in managing daily life. This research applies this principle to the digital context, assuming that the meaning of inclusion for a merchant using QRIS might be fundamentally different from its meaning for a freelancer receiving payments through a digital wallet.

2.3 Literature Synthesis: Digital Connectivity and Financial Well-being

The synthesis of literature reveals two intertwined narratives. On one hand, strong empirical evidence shows that the adoption of digital financial services is positively correlated with improved inclusion metrics. The World Bank (2021) report confirms that digital payments were a key driver behind the surge in account ownership in Indonesia. This dominant narrative portrays digitalization as a straightforward path to economic empowerment.

On the other hand, critical literature warns of potential paradoxes in digital inclusion. The work of Carbo et al. (2005) on financial exclusion highlighted that inclusion can be a "double-edged sword." In the digital ecosystem, this warning manifests as new risks: cybersecurity, data privacy, and over-indebtedness facilitated by easy access to digital credit. Research by Lukonga (2020) found that while Fintech expanded credit access for MSMEs, it also increased their vulnerability to economic shocks due to often inflexible payment structures. It is precisely this contradiction that forms the primary research gap: how do individuals reconcile the promise of empowerment with the reality of vulnerability in their daily experiences?

Furthermore, this synthesis also highlights the limitations of existing measurement models. Many studies, particularly in services marketing, adopt scales like SERVQUAL without considering fundamental criticisms of their convergent and discriminant validity in digital contexts (Buttle, 1996). In other words, the tools used to measure "service quality" in conventional banking may no longer be adequate to capture the nuances of the "financial connectedness" experienced by users of super financial apps. Therefore, this study justifies its qualitative approach by demonstrating that its research questions lie in the realm of meaning and experience—a realm not fully accessible through structured questionnaires.

2.4 Literature Framework and Identification of Research Gap

Based on the synthesis above, the literature framework for this study is built on three pillars:

1. Financial Inclusion Theory (Sarma, 2015) as the conceptual foundation.
2. Financial Inclusion 3.0 Concept (GPFI, 2020) as the contemporary context.
3. Lived Experience Approach (Collins et al., 2009) as the methodological lens.

The research gap identified is the lack of in-depth understanding of how urban societies in emerging economies like Indonesia subjectively experience and attribute meaning to the transition towards Financial Inclusion 3.0. Most literature has mapped what is happening (adoption) and why it is happening at a macro level (policy, technology), but fails to answer how it feels to live a digitally connected financial life—what it feels like, what everyday challenges are faced, and what meanings are constructed from these experiences. By addressing this gap, this research not only summarizes the existing "ingredients" but blends them into a new analytical "smoothie" that offers contemporary and contextual insights into the human reality behind financial inclusion data.

3. Research Methods

3.1 Research Design and Rationale

This study adopts a qualitative research design guided by an interpretative phenomenological approach (IPA). The primary objective is to explore how individuals make sense of their personal and social world regarding their financial connectedness (Smith, Flowers, & Larkin, 2009). This design is deemed most appropriate because the research questions are concerned with subjective experiences, personal meanings, and the nuanced interpretation of the phenomenon of Financial Inclusion 3.0. Unlike quantitative methods that seek to measure variables, IPA allows for a deep, idiographic analysis of the unique experiences of individuals, which is essential for understanding the 'how' and 'why' behind their perceptions and behaviors.

3.2 Sampling

- a. **Target Population and Research Context:** The target population for this study is urban adults residing in Makassar, Indonesia, who actively use at least two different types of digital financial services (e.g., mobile banking, e-wallets, digital investment platforms, or online lending). Makassar represents a strategic research context as a major urban center in Eastern Indonesia undergoing rapid digital financial transformation.
- b. **Units of Analysis and Sampling Method:** The unit of analysis is the individual lived experience. A purposive sampling strategy will be employed to recruit participants who can provide rich, relevant, and diverse insights into the phenomenon. Specifically, criterion sampling, a form of purposive sampling, will be used. The criteria for selection include:
 - 1) Being 20-45 years old.
 - 2) Residing in an urban sub-district of Makassar.
 - 3) Active use of a minimum of two digital financial services for at least six months.
 - 4) Diversity in profession (e.g., freelancers, private employees, small business owners) to capture a range of experiences.
- c. **Sample Size and Respondent Profile:** Following the principles of IPA, the target sample size is 15-20 participants. This number is considered sufficient to reach data saturation, where new interviews yield little or no new thematic information, while allowing for in-depth, case-by-case analysis. A brief respondent profile table will be constructed during data collection to document key demographics.

3.3 Data Collection

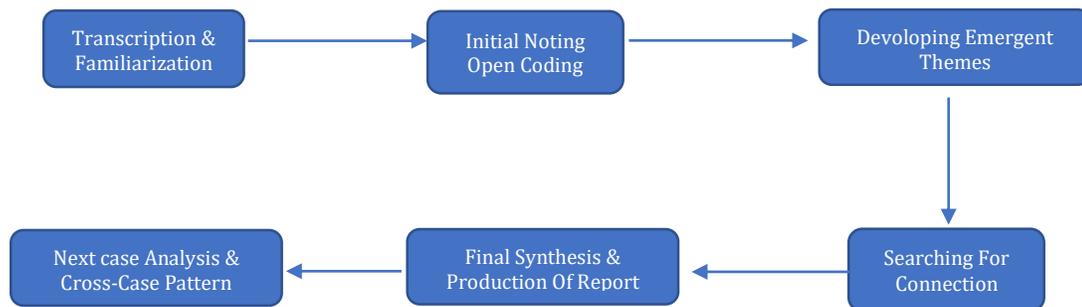
Data will be collected primarily through semi-structured in-depth interviews. This method is ideal as it provides a flexible structure, allowing participants to share their stories in their own words while ensuring that key research topics are explored.

- a. Interview Protocol: A semi-structured interview guide will be developed, featuring open-ended questions and probes. Key areas of inquiry will include:
 - 1) Participants' journey and history with financial services.
 - 2) Daily routines and decision-making processes involving digital financial tools.
 - 3) Perceived benefits, empowerment, and opportunities gained.
 - 4) Perceived challenges, fears, and anxieties encountered.
 - 5) Sense of control, security, and overall impact on financial well-being.
- b. Procedure: Each interview is expected to last between 45 to 75 minutes. With participants' consent, interviews will be audio-recorded and subsequently transcribed verbatim to ensure accuracy. Field notes will also be taken to capture non-verbal cues and contextual observations. The data collection process will be iterative, allowing for preliminary analysis to inform subsequent interviews, a hallmark of rigorous qualitative research.
- c. Ethical Considerations: Informed consent will be obtained from all participants, ensuring confidentiality and anonymity. Participants will be informed of their right to withdraw at any time. Data will be stored securely, and pseudonyms will be used in all reports and publications.

3.4 Data Analysis

The data analysis will follow the systematic steps of Interpretative Phenomenological Analysis (IPA) as outlined by Smith et al. (2009), which is perfectly suited to explore the research questions. The process is illustrated in the flowchart below and involves an iterative cycle of reading, reflecting, and interpreting.

Figure 1.
Stages of Interpretative Phenomenological Analysis (IPA) Process



Source: Adapted from Smith, Flowers, & Larkin (2009). *Interpretative Phenomenological Analysis: Theory, Method and Research*. Sage Publications.

This figure illustrates the sequential stages of the Interpretative Phenomenological Analysis (IPA) process used in this study. The analysis begins with transcription and familiarization, followed by initial noting and open coding, where researchers generate preliminary ideas and reflections from the data. Subsequently, emergent themes are developed to represent recurring patterns of meaning across participants. The process continues with searching for thematic connections and cross-case pattern analysis, which aim to identify conceptual links among themes across different participants. Finally, the synthesis and report production stage integrates all insights into a coherent interpretative narrative that captures participants' lived experiences.

- a. Reading and Familiarization: Immersing oneself in the data by repeatedly reading the transcripts.
- b. Initial Noting: Making detailed exploratory comments on the data (descriptive, linguistic, and conceptual notes).
- c. Developing Emergent Themes: Transforming initial notes into concise phrases that capture the essence of the participant's experience.
- d. Searching for Connections across Emergent Themes: Clustering related emergent themes to develop super-ordinate themes that represent the core aspects of the participants' experiences.
- e. Moving to the Next Case: Repeating steps 1-4 for each individual case to maintain its unique integrity.
- f. Looking for Patterns across Cases: Finally, analyzing the themes from all cases to identify convergences and divergences, leading to a master list of group-level themes that answer the research questions.

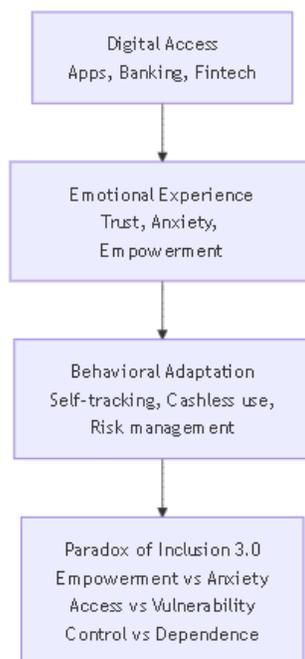
To ensure the trustworthiness (validity and reliability) of the findings, strategies such as member checking (sharing interpretations with participants for validation) and peer debriefing (discussing the analysis with academic colleagues) will be employed.

3.5 Conceptual Model of Financial Inclusion 3.0

Building on the thematic findings and interpretative analysis, this section introduces the Conceptual Model of Financial Inclusion 3.0, a framework that encapsulates how digital financial participation shapes, and is shaped by, users' emotional, cognitive, and behavioral dimensions. While traditional financial inclusion frameworks (e.g., Sarma, 2012; World Bank, 2021) emphasize access, usage, and quality, the present model expands these dimensions by incorporating the lived, affective, and reflexive dimensions of digital engagement.

The model conceptualizes financial inclusion as a fluid, recursive process not merely a linear progression from access to usage but a cyclical experience of empowerment and vulnerability that evolves through everyday financial interactions. This conceptualization reflects the shift from Financial Inclusion 2.0, focused on access and affordability, toward Financial Inclusion 3.0, characterized by interconnectivity, algorithmic mediation, and emotional entanglement with technology.

Figure 2.
Conceptual Model of Financial Inclusion 3.0: A Phenomenological Framework



Source: Adapted from Smith, Flowers, & Larkin (2009). *Interpretative Phenomenological Analysis: Theory, Method and Research*. Sage Publications

The model comprises four interconnected layers:

1. Digital Access
This layer represents the infrastructural and technological gateway to inclusion encompassing mobile banking, fintech applications, and e-wallets that create initial connectivity. Access here is not purely physical but socio-technical, depending on trust, literacy, and affordability.
2. Emotional Experience
Digital financial interactions evoke affective responses such as *trust, empowerment, anxiety, and dependence*. These emotions shape how individuals internalize their financial autonomy and perceive the fairness, transparency, and moral dimensions of digital finance.
3. Behavioral Adaptation
Users translate emotional experiences into adaptive financial practices: tracking expenses, managing cashless transactions, budgeting via apps, or avoiding perceived digital risks. Behavior becomes a coping mechanism that balances perceived empowerment with underlying uncertainty.
4. Paradox of Inclusion 3.0
The final layer reveals the dual nature of inclusion simultaneously liberating and constraining. Users experience both empowerment (through access and efficiency) and vulnerability (through surveillance, data risks, and debt exposure). This paradox reflects the emergence of a *digital ambivalence* where inclusion generates new forms of exclusion, dependency, and emotional fatigue.

Taken together, this model contributes to theory by reframing financial inclusion as a humanized and affective process rather than a purely economic construct. It serves as a bridge between structural access models and phenomenological lived experiences, offering a holistic understanding of how digital finance redefines inclusion, identity, and emotional well-being in the urban context.

The results section summarizes the data collected for the study in the form of descriptive statistics and also reports the results of relevant inferential statistical analysis (e.g., hypothesis tests) conducted on the data. You need to report the results in sufficient detail so that the reader can see which statistical analyses were conducted and why, and to justify your conclusions. Mention all relevant results, including those that are at odds with the stated hypotheses (American Psychology Association 2001: 20).

There is no fixed recipe for presenting the findings of a study. We will, therefore, first consider general guidelines and then turn our attention to options for reporting descriptive statistics and the results of the hypothesis test.

4. Results And Discussion

This chapter presents the findings from the in-depth interviews with 18 participants, structured around the three research questions. Following the principles of Interpretative Phenomenological Analysis (IPA), the results are presented as a synthesis of emergent themes that capture the essence of participants' lived experiences with digital financial inclusion. Direct quotations (translated from Bahasa Indonesia where necessary) are incorporated to illustrate these themes, followed by a discussion that contextualizes these findings within existing literature.

4.1 Findings and Discussion by Research Question

4.1.1 Patterns and Drivers of Financial Connectedness

The analysis revealed that participants' financial connectedness is characterized by a layered ecosystem of digital tools, each serving distinct purposes. Mobile banking was universally used for primary financial management (salary, savings, bills), while e-wallets dominated for micro-transactions (online transportation, small merchants, QRIS payments). A third layer, consisting of digital investment platforms (like Bibit, Pluang) and buy-now-pay-later (BNPL) services, was common among younger, more tech-savvy participants.

The primary driver for this connectedness was not merely functional utility but profound social and structural necessity.

"During the pandemic, my catering business almost collapsed. GoPay and OVO became my lifeline. Customers were afraid to use cash... If I didn't adopt digital payments, I would have disappeared." (Sari, 32, Small Business Owner)

This sentiment was echoed by a freelancer who stated:

"All my clients pay via transfer to my digital bank. Cash feels archaic. To be part of the modern economy, you have to be connected. There is no choice." (Bayu, 28, Graphic Designer)

These findings align with the GPFI (2020) concept of Financial Inclusion 3.0, where finance becomes seamlessly embedded in daily life. However, they extend the theory by highlighting that adoption is often driven by a lack of alternatives—a form of coerced inclusion—rather than active choice. This challenges the optimistic narrative of digital inclusion as purely empowering and supports Carbo et al.'s (2005) caution about its double-edged nature. The "layered ecosystem" described by participants reflects a sophisticated, context-dependent navigation of the digital landscape, moving beyond simple access metrics (Sarma, 2015).

4.1.2 The Meaning of Financial Connectedness

Participants attributed complex and often contradictory meanings to their financial connectedness. A dominant theme was Enhanced Agency and Control, where digital tools provided unprecedented oversight and autonomy over finances.

"With the bank app, I can see all my spending, move money between accounts in seconds. I feel like a CEO of my own little financial life." (Dewi, 25, Private Employee)

Conversely, a powerful counter-theme emerged: The Illusion of Control and Emergent Anxiety. Many participants expressed underlying anxiety about security, data privacy, and the ease of spending.

"I feel in control, but also out of control. The money in my e-wallet doesn't feel real. I swipe and it's gone... and I always worry, what if the app gets hacked? Who has my data?" (Rizky, 30, Civil Servant)

The coexistence of empowerment and anxiety creates a psychological paradox at the heart of Financial Inclusion 3.0. The feeling of being a CEO supports the empowerment narrative found in World Bank (2021) reports. However, the "illusion of control" and associated anxieties reveal a more complex reality. This finding resonates with Collins et al.'s (2009) focus on the mental accounting and emotional burden of financial management. The digital environment, while simplifying transactions, introduces new cognitive and emotional loads related to trust and self-regulation, aspects often absent from traditional financial inclusion metrics.

4.1.3 Perceived Paradoxes of Digital Financial Inclusion

The analysis crystallized several core paradoxes experienced by participants:

- a. The Efficiency-Vulnerability Paradox: While digital tools created efficiency, they also created new vulnerabilities.

"BNPL helped me buy a new laptop for work, but it's a trap. It's so easy to activate, you don't feel the pain of paying until later. Now I have three different installments running." (Adi, 23, University Student)

- b. The Inclusion-Exclusion Paradox: For some, particularly older participants, digitalization created new forms of exclusion.

"My pension is deposited in the bank, but to pay for water, I must use an app. The instructions are confusing. I feel I am being left behind in my own city." (Bu Siti, 67, Retired Teacher)

These paradoxes provide critical nuance to the understanding of Financial Inclusion 3.0. The Efficiency-Vulnerability Paradox directly supports Lukonga's (2020) findings on the risks of digital credit, showing that even savvy users can become over-indebted due to the "frictionless" design of these services. The Inclusion-Exclusion Paradox demonstrates that technological advancement can inadvertently marginalize segments of the population, reinforcing rather than reducing existing social inequalities. This is a stark reminder that digital inclusion is not a panacea and must be accompanied by robust digital literacy programs and accessible user interfaces. These findings engage in a crucial debate with the dominant policy narrative, suggesting that without addressing these paradoxes, the goal of meaningful, sustainable financial inclusion may remain elusive.

4.2 Overall Discussion and Theoretical Implications

The findings present a multifaceted picture of Financial Inclusion 3.0 in urban Indonesia. It is not a linear progression from exclusion to empowerment but a complex, often ambivalent, lived experience. Participants are active agents navigating a digital ecosystem that offers both liberation and new forms of constraint. Theoretically, this study contributes by:

- a. Empirically Grounding Financial Inclusion 3.0: It moves the concept from a macro-level framework (GPII, 2020) to a grounded, human-centered understanding, revealing its psychological and social dimensions.
- b. Extending the *Lived Experience* in Finance: It applies and validates the phenomenological approach championed by scholars like Collins et al. (2009), demonstrating its power to uncover the nuanced realities behind financial behavior in a digital context.
- c. Highlighting the Centrality of Paradox: The identification of core paradoxes provides a critical lens through which to evaluate the true impact of digital financial services, challenging overly simplistic success metrics and calling for more holistic measures of financial well-being that account for psychological security and resilience.

In conclusion, while digital platforms have undoubtedly expanded financial access, the experience of being included is marked by a continuous negotiation between control and anxiety, empowerment and vulnerability. For Financial Inclusion 3.0 to be truly successful, policymakers and providers must look beyond access and usage statistics to address the qualitative human experience, designing for trust, transparency, and resilience alongside efficiency and convenience.

4.3 Cross Theme-Synthesis

The thematic analysis revealed that the experiences of Financial Inclusion 3.0 among urban participants are interconnected through a set of reinforcing and contrasting dynamics. These interrelations illustrate how empowerment, control, anxiety, and exclusion coexist within the same digital ecosystem. To clarify the structure of these relationships, the following summary table maps the main themes, sub-themes, and their implications for Financial Inclusion 3.0.

Table 1. Interrelation of Main Themes, Sub-Themes, and Implications for Financial Inclusion 3.0

Main Theme	Sub-Theme	Implication for Financial Inclusion 3.0
Enhanced Agency & Control	Financial self-tracking, sense of empowerment	Strengthens users' sense of control and engagement
Illusion of Control & Anxiety	Data insecurity, impulsive spending, over-reliance on apps	Reduces perceived financial safety and increases emotional strain
Efficiency–Vulnerability Paradox	Frictionless finance, Buy-Now-Pay-Later (BNPL)	Generates convenience but elevates debt and dependency risks
Inclusion–Exclusion Paradox	Digital literacy gap, generational divide	Creates new forms of exclusion despite increased access

source: data processed

This synthesis underscores that Financial Inclusion 3.0 is not a linear phenomenon. Rather, it operates through a dynamic tension between empowerment and vulnerability, inclusion and exclusion. Recognizing these interrelations is essential for developing a more holistic model of digital financial well-being that transcends traditional access-based metrics.

5. Conclusion

5.1 Summary of Findings

This study has illuminated the nuanced realities of Financial Inclusion 3.0 by exploring the lived experiences of urban society in Makassar. The findings reveal that digital financial inclusion is not a monolithic experience but a complex, multi-layered phenomenon characterized by three core dimensions. First, financial connectedness is driven by a combination of structural necessity and social expectation, leading to the adoption of a layered ecosystem of digital tools. Second, the meaning derived from this connectedness is profoundly ambivalent, oscillating between a sense of enhanced agency and control, and an underlying anxiety about security and the illusory nature of digital money. Finally, this ambivalence crystallizes into tangible paradoxes—notably the efficiency-vulnerability paradox and the inclusion-exclusion paradox—which highlight the dual-edged nature of digital finance, offering both empowerment and new forms of risk and marginalization.

5.2 Theoretical Implications

The study makes significant theoretical contributions by bridging macro-level concepts of financial inclusion with micro-level lived experiences. It empirically grounds the concept of Financial Inclusion 3.0, demonstrating that it transcends mere technological adoption to encompass profound psychological and social dimensions. By successfully applying Interpretative Phenomenological Analysis (IPA) to the financial behavior context, this research validates the importance of qualitative, human-centered approaches in complementing dominant quantitative metrics. The identification of core paradoxes provides a critical theoretical lens, suggesting that future frameworks for evaluating financial inclusion must account for these inherent tensions to fully understand its impact on well-being.

5.3 Practical Implications

For policymakers and financial service providers, this research offers several actionable insights. There is an urgent need to:

- a. Develop robust digital financial literacy programs that go beyond basic "how-to" guides to address risk management, debt literacy, and data privacy.
- b. Strengthen consumer protection frameworks and cybersecurity infrastructure to build trust and mitigate the vulnerabilities inherent in digital finance.
- c. Design inclusive user interfaces and maintain accessible, non-digital service channels to prevent the digital exclusion of vulnerable groups, such as the elderly and the less tech-savvy.
- b. Financial institutions should recognize that building trust and ensuring user well-being is as crucial as rolling out innovative features.

5.4 Limitations and Suggestions for Future Research

This study is limited by its focus on urban participants in a single Indonesian city, and its qualitative design, which prioritizes depth over generalizability. Future research could build upon these findings by:

- a. Conducting quantitative studies to measure the prevalence of the identified paradoxes across different demographic segments and geographic locations (e.g., rural vs. urban).
- b. Employing longitudinal designs to track how the lived experience of financial inclusion evolves over time as users become more accustomed to digital platforms.
- c. Investigating the specific experiences of particularly vulnerable groups, such as low-income households or micro-entrepreneurs, in navigating the digital financial landscape.
- d. Exploring the role of financial influencers (finfluencers) and social media in shaping the perceptions and behaviors identified in this study.

In closing, achieving meaningful financial inclusion in the digital age requires a holistic approach that looks beyond access statistics to the qualitative human experience. It demands policies and products that are not only efficient and innovative but also trustworthy, transparent, and resilient, ultimately fostering a financial ecosystem that genuinely enhances the well-being of all its participants.

This study reframes financial inclusion beyond access and affordability toward a more human-centered understanding. Financial Inclusion 3.0 is not only about digital connectivity but also about the emotional and psychological dimensions of being financially “connected.” The paradoxes identified in this research between empowerment and anxiety, inclusion and exclusion highlight the need for inclusive digital ecosystems that are not merely efficient but empathetic.

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