

The Moral Economy of Finance: Reframing Profit Through the Lens of Social Justice and Collective Well-Being

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Abstract

The modern financial paradigm generally prioritizes profit as its main objective, often neglecting moral and social justice dimensions. This tendency creates inequality and diminishes the role of finance as a mechanism for collective well-being. This study seeks to reframe the understanding of profit through a moral economy perspective, emphasizing the values of social justice and collective welfare. The research method employed is qualitative, utilizing in-depth interviews with business actors and the analysis of related documents. The findings highlight that profit is no longer understood solely in materialistic terms but is also connected to moral and ethical values. Business actors regard profit as a means of achieving social good, providing inner fulfillment that goes beyond financial value. Profit is seen as an indicator of success in fostering fair and beneficial social impact within society. Nevertheless, challenges arise in the form of moral conflicts between maximizing short-term profits and upholding the principles of social justice. The implications of this research affirm that the application of moral economics in finance can serve as a foundation for building a more inclusive and sustainable business and financial system that supports collective welfare.

Keywords: *Moral economy, finance, social justice, collective welfare, and ethical benefits.*

Introduction

The development of the modern financial paradigm shows that profit is often used as the main benchmark in determining the success of a business. Financial profit is considered the pinnacle of achievement, so all business strategies are geared toward maximizing profit (Jayathilaka, 2020). However, an orientation that focuses solely on material profit often overlooks moral values, principles of social justice, and the goal of creating collective welfare. The impact of this can be seen in the widening gap between rich and poor, the increasing concentration of wealth in the hands of a few, and the emergence of social vulnerabilities that are difficult to overcome by market mechanisms alone (Ali et al., 2024).

This situation raises critical reflections on the nature of profit itself. Should profit be understood solely as a materialistic achievement, or can it be interpreted more broadly

to achieve the common good? This question opens up space to see that financial practices are not merely technical and economic in nature, but also contain fundamental ethical and social dimensions (Prokopenko et al., 2025). Thus, the discussion of profit does not only touch on the numbers in financial reports, but also relates to real contributions to social development, justice, and the sustainability of communal life.

The concept of moral economics emerged as an alternative that emphasizes that profit includes social responsibility, ethics, and justice, setting aside monetary value alone. From a sociological perspective, moral economics is understood as an effort to explain the reasons behind a person's behavior, actions, and activities in economic activities (Marks & Terry, 2025). Meanwhile, anthropological studies highlight that every individual economic action is always accompanied by a moral dimension, because economic decisions are always influenced by believed values. This means that moral considerations are an integral part of every economic decision (Clough, 2019).

Morality itself is a tangible dimension that distinguishes humans from other creatures. Humans act not only based on instinct, but through consciousness colored by the values that exist in society. Religious teachings also emphasize the importance of morality as a guideline for behavior, so that every human action has an orientation that transcends personal interests alone (Ybyray, 2025). Within the framework of teleological or consequentialist ethical theory, an action or decision can be considered moral if it produces positive effects such as happiness, health, and well-being. Conversely, actions that cause suffering, unhappiness, or harm are considered immoral (Clough, 2019).

In the moral economic framework, financial practices are not only viewed as economic activities, but also as important instruments for creating collective welfare. This is reflected in various practical examples, such as Islamic banking, cooperatives, and community-based enterprises, where moral values and social concerns form the basis for profit management. Profit is no longer seen only as a material measure, but also as an indicator of success in providing a positive impact on society and the environment (Osman & Elamin, 2023).

There is previous research that provides a relevant perspective on moral economics. Taylor-Gooby et al. (2019) examined moral economics in the context of welfare states in Germany, Norway, and the United Kingdom. The results show that people's attitudes toward welfare are influenced by the national context: reciprocity and work values in Germany, inclusion and equality in Norway, and individual responsibility and work ethic in the United Kingdom. Market-based neoliberal ideas have only developed to a limited extent, and the role of the state is more protective than directly beneficial. Support for social policies remains strong, but the reasons vary according to the context of each country.

Alawattage et al. (2023) examined the application of moral economy and performative materialism in a bank in Sri Lanka. This study reveals four key elements in sustainability practices: redefining corporate morality, questioning morality, objectifying morality through accountability, and valuing morality in a moral market. The relationship

between morality and corporate profits allows greenwashing practices to be legitimized as recognized and valued business practices.

Currently, there is a research gap, especially in Indonesia, as there are still very few studies that specifically examine how business actors understand and interpret profit within the framework of moral economics. Most previous studies have been conducted overseas and focused on macro contexts, such as the welfare state or formal corporate sustainability practices. In Indonesia, research on how moral values, social responsibility, and collective justice influence business practices and the interpretation of profit is still very limited. This gap highlights the need for research that explores the real experiences and perceptions of business actors in Indonesia in order to provide more contextual insights into the application of moral economics in local financial practices.

The novelty of this research lies in its focus on highlighting the meaning of profit from a moral economic perspective, particularly among business actors. The use of in-depth interviews allows research to gain a richer understanding of how profit is viewed not only as a financial result, but also to achieve social good, ethical responsibility, and collective welfare. This approach makes a new contribution by presenting a micro perspective that emphasizes the moral dimension in economic decision-making, while offering more contextual and applicable insights for business practices in Indonesia.

The research results are expected to contribute theoretically by enriching the literature on moral economics, as well as practically and in terms of policy by serving as a guide for business actors and policymakers in developing more humane, equitable, and sustainable financial practices. Meanwhile, from a policy perspective, the findings of this study can be used as a basis for policymakers and regulators to encourage the implementation of moral principles in the financial system, such as regulations on corporate social responsibility, transparency, or incentives for business practices oriented towards collective welfare.

Research Method

The study employed a qualitative approach to gain an in-depth understanding of how the concept of moral economics was applied in financial practice, particularly in reframing the meaning of profit through the perspective of social justice and collective welfare. The research took the form of a qualitative descriptive study, focusing on the perceptions and experiences of business actors regarding moral values in financial activities (Furidha, 2023). Data were collected through in-depth interviews with small business actors, managers of community-based financial institutions, and practitioners who applied ethical finance principles, providing insights into their motivations, dilemmas, and practices.

The data obtained from interviews and document analysis were examined using thematic analysis to identify key patterns and themes. To ensure the validity and reliability of the findings, triangulation was applied in terms of both sources and methods (Donkoh & Mensah, 2023). Information from interviews was compared with supporting documents and the experiences of various informants, thereby enhancing the perspective

and reducing potential bias. The findings offered a comprehensive picture of the realities faced by actors in applying moral economics in financial practices.

Results and Discussion

The moral economy in finance emerges as a paradigm that seeks to shift the traditional orientation from merely pursuing individual gain to a balance between profit, social justice, and collective well-being. Within this framework, money and capital are no longer viewed solely as instruments of personal accumulation, but also as a means to improve the quality of life of society at large. This perspective emphasizes that financial decisions should not be separated from moral values, ethics, and the public interest, so that economic practices do not create ever-increasing social disparities. The moral economy in finance challenges the purely capitalist paradigm that focuses solely on profit accumulation and market efficiency, by presenting a more inclusive perspective on social justice. Research by Hariram et al., (2023) emphasizes the importance of integrating social, economic, and environmental aspects within the sustainable development model, which aligns with the idea that finance should be directed toward creating a balance between individual and collective interests. Similarly, Hidayati et al., (2024) emphasize that the transformation of marketing toward digital-based e-marketing must consider sustainability and equitable access to avoid creating new disparities. This demonstrates that the moral economy paradigm encourages innovation while ensuring that human values remain central to financial decision-making.

Similarly, research by Yi et al. (2020) highlights that customer orientation and fairness in business relationships can sustainably improve sales consultant performance, reflecting how the application of moral values can generate long-term profits. Even in a global context, discourses on corporate social responsibility (CSR) and sustainable finance emphasize that profits are inextricably linked to social and environmental responsibilities. Thus, prior literature demonstrates that moral economics in finance is not merely a normative ideal but a strategic approach that is increasingly relevant in an era of economic uncertainty, climate change, and increasing societal demands for transparency and fairness in business practices.

In modern financial practice, the concept of moral economy challenges the dominance of neoliberal capitalism, which tends to emphasize market efficiency and capital accumulation as primary goals. A sole orientation toward profit often results in exploitative practices, both towards humans and the environment. Sheikh et al. (2023) emphasize the importance of integrating social, economic, and environmental aspects in sustainable development, so that financial orientation is not solely focused on capital accumulation. Similarly, a study by Shi & Xu (2023) shows that transforming traditional marketing toward digital technology-based e-marketing can increase business competitiveness when framed by principles of sustainability and social responsibility. These findings reinforce the idea that moral economy can serve as a corrective paradigm to the exploitative practices of neoliberal capitalism.

In contrast, moral economics emphasizes the principles of distributive justice, solidarity, and social responsibility. This can be realized through ethical investment policies, Islamic finance, or sustainability-based business models that place societal well-being as a measure of success as important as financial profit. In this way, the financial sector can function as a driver of inclusive social development, rather than simply a machine for accumulating wealth for a select few. Castelacci (2022) explains digital marketing strategies, highlighting that technological innovation must be accompanied by ethical values and an orientation toward collective well-being to create long-term positive impacts. Similarly, Giovanni (2024) research emphasizes the importance of customer orientation in improving the performance of sales consultants, which essentially reflects the moral economic dimension of concern for consumer needs and satisfaction. Thus, moral economics in modern financial practice is not merely a normative discourse but has a strong empirical basis for guiding business practices toward a balance between economic profit and social justice.

Furthermore, the moral economy highlights the importance of transparency and accountability in financial management. When financial institutions implement practices based on moral values, they are required to ensure that every investment decision and funding policy does not harm vulnerable groups (Tariq, 2024). The principles of transparency and accountability in the moral economy are strongly relevant to various studies highlighting sustainable financial practices (Mal & Hoque, 2023). Bahn et al. (2021). assert that innovation in technology-based agricultural business systems not only increases productivity but also supports national food security when managed with principles of accountability and sustainability. This aligns with the findings of Isibor et al. (2025) who emphasize the need for an integrated social, economic, and environmental development model to ensure that investment decisions not only benefit investors but also maintain ecosystem balance and the well-being of the wider community. In other words, transparency in financial practices serves as a guarantee that capital is not absorbed into sectors that damage the social and environmental order.

This paradigm shift also opens up space for redefining indicators of economic success. While in the traditional capitalist paradigm, success is measured solely by profit growth and market value, within the framework of a moral economy, success encompasses non-material aspects such as justice, social solidarity, and collective satisfaction. For example, the success of a financial institution is determined not only by a high return on investment (ROI), but also by the extent to which the institution contributes to reducing poverty, narrowing inequality, and creating inclusive financial access for marginalized groups.

This new paradigm aligns with various studies emphasizing the need for more comprehensive indicators of economic success. Zsolnai (2022) within the framework of spiritual psychology, asserts that economic development cannot be separated from moral and spiritual values, which serve as a counterbalance to materialistic orientations. This is reinforced by Zsolnai (2022) research, which shows that the process of human creation, from a Qur'anic perspective, emphasizes the dimensions of social and moral responsibility

as the foundation of life, including in the management of economic resources. Therefore, redefining indicators of success in a moral economy is not merely an addition, but a fundamental necessity for the modern financial system to remain relevant to humanitarian goals. Furthermore, Rahayu (2024) research on digital marketing strategies underscores that innovation only has long-term value if accompanied by a tangible contribution to social welfare. Similarly, Mubushar et al. (2024) emphasize that customer orientation is not only related to consumer satisfaction but also reflects a business's contribution to collective well-being. Within this framework, indicators of financial institution success should be viewed in terms of their role in creating fairer access, reducing inequality, and improving the quality of life for the wider community. In this way, moral economy reframes profit as a dual tool: strengthening economic resilience while affirming social solidarity.

Ultimately, moral economics in finance teaches that moral and social responsibility are not an added burden, but rather the foundation of long-term sustainability. In an increasingly complex world with global challenges such as the climate crisis, economic inequality, and social instability, a financial orientation that solely pursues financial profit proves fragile. Conversely, an economic model that incorporates moral values can create stability, build public trust, and foster sustainability. By reframing profit through the perspective of social justice and collective well-being, finance can become an instrument of transformation toward a more just, inclusive, and sustainable society.

Conclusion

The moral economy in finance presents an alternative paradigm that redefines profit as both financial gain and a tool for advancing social justice and collective well-being. By emphasizing transparency, accountability, solidarity, and sustainability, it steers financial institutions away from exploitative practices and toward investments that generate positive social impact. Success within this framework is assessed not only by material outcomes but also by contributions to poverty reduction, equitable access, and quality of life improvements. Future research could explore practical strategies for integrating moral economy principles into mainstream financial systems and assess their long-term impact on economic inclusivity and sustainability.

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