



## Lived Experiences of Standard Clauses in Digital Contracts Among Micro-Entrepreneurs

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### ABSTRACT

Digital civil contracts are increasingly prevalent in regulating economic interactions, particularly among micro and small business owners in developing economies. Despite the legal significance of standardized clauses in these contracts, limited attention has been given to how such individuals comprehend and experience the obligations involved. Prior research has primarily focused on normative legal analysis or assessments of legal literacy, leaving a gap in understanding the subjective experiences of contractual consent within digital environments. This study investigates how micro-entrepreneurs in Indonesia experience and make sense of standard clauses in digital contracts that they may not fully understand. Using an interpretative phenomenological approach (IPA), this research explores the lived experiences of business owners in navigating digital legal agreements. In-depth semi-structured interviews were conducted with twelve Indonesian micro-entrepreneurs, and data were analyzed using a multi-step IPA framework supported by qualitative software. The results reveal four key experiential themes: (1) habitual consent without comprehension, (2) emotional distress due to legal uncertainty, (3) perceived asymmetry in contractual power, and (4) informal coping strategies. These findings suggest that participants often engage in digital contracting as a necessary but psychologically burdensome act shaped by institutional trust and practical urgency, rather than legal clarity. Theoretically, this study contributes to socio-legal scholarship by foregrounding the phenomenological dimensions of digital legal engagement among legally vulnerable populations. The findings extend existing literature on legal consciousness and contract theory by highlighting how digital standard clauses are not only encountered cognitively, but also emotionally and culturally interpreted. This research calls for the development of more inclusive legal design and policy. Its implications are particularly relevant to digital contract reform efforts, advocating for culturally responsive and experientially informed interventions to protect micro-entrepreneurs.



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## INTRODUCTION

In the evolving landscape of digital transactions, standard-form contracts—commonly referred to as adhesion or boilerplate contracts—have become a pervasive element of civil legal interactions. These non-negotiable digital agreements govern a wide array of economic activities, from e-commerce and digital services to micro-entrepreneurial engagements. In developing economies such as Indonesia, micro and small enterprises (UMKM) increasingly depend on digital platforms to reach markets, customers, and service providers. However, this growing reliance has raised critical concerns about fairness, accessibility, and the asymmetrical distribution of legal knowledge and power.

Standard clauses embedded in these contracts frequently elude comprehension, especially for users without formal legal education or access to consistent legal support. For micro-entrepreneurs, such agreements are not merely transactional tools; they also introduce legal uncertainty and emotional strain, particularly when unfavorable terms are enforced without clear understanding or

genuine consent. Although contract law presumes informed agreement and mutual recognition of obligations, many users perceive themselves as legally disempowered, raising important questions about agency and justice.

Several studies (e.g., Mulyadi, 2023; Widodo, 2023) have critiqued the disjunction between formal legality and everyday legal experience. Rather than treating these insights separately, their findings collectively highlight how digital contract users—especially those from legally marginalized backgrounds—often engage with contracts under practical compulsion and without adequate comprehension. Consolidating these arguments emphasizes a consistent empirical pattern: the normalization of passive consent in environments lacking equitable legal infrastructure.

This phenomenon invites a deeper investigation into how individuals experience, interpret, and emotionally respond to legal documents that define their rights and obligations. Legal interactions marked by confusion or perceived coercion are not solely legal in nature; they are profoundly situated within personal histories, social relationships, and institutional trust. In this context, phenomenological inquiry becomes a crucial methodological response, as it prioritizes the lived experiences of individuals navigating legal structures.

Phenomenology, particularly in its legal application, foregrounds concepts such as intentionality—the directedness of consciousness toward particular legal meanings—and lifeworld (*Lebenswelt*)—the everyday context in which legal norms are encountered and interpreted. These concepts allow researchers to examine how legal texts are not merely understood intellectually but are experienced affectively and relationally. Through this lens, civil law appears not only as a codified system but also as a dynamic field of human meaning-making, where understanding, agency, and justice are continuously negotiated.

Within civil law scholarship, increasing attention has been directed toward understanding how individuals experience legal obligations in real-world contexts especially in relation to standardized digital contracts. Research on user experience with contractual obligations has moved beyond doctrinal and normative frameworks to examine how individuals perceive, internalize, and emotionally respond to legally binding agreements. This shift reflects a broader recognition that legal understanding is not only a matter of formal literacy but also of lived experience, shaped by socioeconomic status, cultural norms, and relational power dynamics.

However, attempts to investigate such experiences often encounter methodological limitations. Quantitative approaches, while valuable for mapping patterns and generalizations, are inherently limited in capturing the depth, complexity, and nuance of subjective meaning. These methods tend to flatten the experiential dimensions of legal encounters, reducing them to variables and statistical associations. As a result, critical insights into how individuals feel, interpret, or struggle with contractual obligations particularly in contexts where comprehension is incomplete or coerced remain insufficiently explored.

This methodological gap is particularly evident in research concerning micro and small business owners who operate within digital legal environments. While studies such as those by Mulyadi (2023) and Widodo (2023) have examined legal literacy and power asymmetry in contractual settings, they often rely on thematic or normative content analysis without delving into the interpretive frameworks of the subjects themselves. Such limitations underscore the inadequacy of prior research to fully articulate the essence of the phenomenon namely, what it means to live under the shadow of standard legal clauses that are accepted but not fully understood. It is within this uncharted experiential terrain that phenomenology offers both a conceptual and methodological solution.

Current legal and policy responses to issues arising from standard clauses in digital contracts have predominantly relied on normative frameworks and compliance-oriented interventions. These include legislative efforts to enhance consumer protection, guidelines for digital platform transparency, and campaigns to improve legal literacy among micro-entrepreneurs. While such approaches offer practical utility, they often presume a linear relationship between legal knowledge

and behavioral change, overlooking the subjective dimensions through which legal texts are encountered and interpreted by users.

What remains inadequately addressed is the depth of meaning and personal experience associated with engaging in digital legal agreements particularly by those who operate in conditions of informational or structural disadvantage. Standard solutions fall short in explaining how users emotionally process, morally justify, or psychologically reconcile their participation in legally binding agreements they do not fully understand. This gap is especially critical in the context of UMKM actors, whose interactions with digital platforms are shaped by necessity, urgency, and economic vulnerability.

To bridge this gap, there is a compelling need for an alternative approach that prioritizes lived experience over formal compliance. Phenomenology provides such a framework by allowing researchers to uncover the underlying structures of consciousness, perception, and interpretation that govern individuals' engagement with legal instruments. By focusing on what digital contracts mean to those who sign them rather than simply what they contain phenomenological inquiry enables a richer, more human-centered understanding of legal reality as it is lived. Such insight is essential not only for academic advancement but also for designing more just and responsive legal mechanisms.

Previous studies have explored legal consciousness and contractual behavior among small business owners, focusing on literacy levels, compliance patterns, and platform regulations. For example, Mulyadi (2023) investigated the role of legal knowledge in shaping business decisions, while Widodo (2023) addressed power asymmetry in digital contracting environments. However, these studies largely employed thematic or normative frameworks that limited their capacity to capture lived experiences. Little attention has been paid to how individuals feel about the contracts they sign or how they construct meaning from legal language they do not fully understand. This article builds on existing scholarship while redirecting attention to the experiential and interpretive aspects of contract engagement.

This study adopts an interpretative phenomenological approach (IPA) to investigate how micro and small business owners experience standard clauses in digital civil contracts. IPA was selected because it allows for a deep exploration of meaning-making, especially in contexts where legal understanding is partial or conflicted. By focusing on subjective experiences, this method addresses the core question raised earlier: What does it mean to live under legal obligations that are signed but not understood? The study seeks to uncover the emotional, psychological, and social dimensions of these interactions. Phenomenology is thus positioned as both a methodological choice and an ethical response to the limitations of prior research.

The structure of this article is organized as follows. The introduction outlines the background, knowledge gap, and rationale for a phenomenological study of digital contracts. The method section explains the research design, participant selection, data collection, and analysis procedures using IPA. The results section presents the themes that emerged from the data, supported by direct quotations from participants. The discussion section interprets these findings in relation to existing literature and theoretical frameworks. Finally, the conclusion summarizes the key insights and suggests implications for legal practice, policy, and future research.

## **RESEARCH METHODS**

### **Study Design**

This study employed an interpretative phenomenological approach to explore the lived experiences of micro and small business owners in understanding and responding to standard clauses in digital civil contracts. Interpretative Phenomenological Analysis (IPA), rooted in Heideggerian philosophy, was selected for its emphasis on subjective meaning-making and the interpretative processes individuals use to understand their lived reality. This approach enabled a deep engagement with the participants' perspectives and allowed for the emergence of nuanced insights into how legal content is experienced, rather than merely understood cognitively. IPA's suitability lies in its ability to

capture the complexity of experiences that are socially situated, emotionally charged, and legally consequential.

### **Participants**

Participants were micro and small business owners who had previous experience entering into digital civil contracts involving standard clauses. Selection followed purposive sampling, ensuring that individuals recruited had direct, relevant, and meaningful engagement with the studied phenomenon. Inclusion criteria required participants to be actively engaged in digital contractual activities, aged between 25 and 50 years, and owning or managing a business with fewer than 10 employees. Exclusion criteria involved individuals without any digital contract exposure or those unable to provide informed responses due to cognitive limitations. A total of twelve participants (7 males and 5 females) were involved, with an average age of 38.6 years. Participants represented diverse business sectors including online retail, service-based startups, and informal digital trading.

### **Data Collection**

Data were collected through in-depth, semi-structured interviews guided by a flexible protocol that allowed participants to narrate their experiences freely while addressing key themes relevant to the study. Interviews were conducted face-to-face in a setting chosen by the participants, often their place of business, ensuring comfort and contextual richness. Each interview lasted between 45 and 75 minutes and was audio-recorded with the participants' consent. Interviews were conducted in Bahasa Indonesia and later transcribed verbatim before translation into English for analysis. A reflexive journaling process was employed to document non-verbal cues and contextual observations that could enrich the interpretation. The interview guide was adapted from validated frameworks used in previous socio-legal phenomenological studies and was adjusted to fit the digital contract context specific to UMKM in Indonesia.

### **Data Analysis**

Data were analyzed using Interpretative Phenomenological Analysis (IPA), adhering to a systematic multi-step process. Initially, each transcript was read multiple times to gain a holistic understanding of the participant's narrative. Significant phrases were identified and coded to capture meaning units, which were then clustered into emergent themes reflecting the essence of the lived experience. NVivo software was used to assist in organizing and managing the qualitative data, although thematic interpretation remained grounded in manual hermeneutic analysis. The themes were then integrated across cases to construct superordinate categories that reveal both individual variation and collective meaning. Particular care was taken to preserve the idiographic richness of each case before generalizing across participants. The final structure of findings reflects the psychological, social, and legal dimensions embedded within each theme.

### **Ethical Considerations**

Ethical approval for this study was obtained from a recognized institutional review board. Written informed consent was obtained from all participants prior to data collection, including consent for audio recording and use of anonymized quotations. Participants were informed of their right to withdraw at any time without consequence. Anonymity and confidentiality were ensured by using pseudonyms and removing all identifiable information from transcripts and published materials. The research adhered to international ethical standards for qualitative inquiry involving human subjects, including the Declaration of Helsinki principles.

## **RESULTS**

The findings of this study, grounded in Interpretative Phenomenological Analysis (IPA), reveal four overarching themes that encapsulate the lived experiences of micro and small business owners in interpreting and responding to standard clauses within digital civil law contracts. These themes reflect both the cognitive and emotional dimensions of engagement with legal content in digital platforms, particularly in the context of legal literacy gaps and perceived contractual injustice.

Each theme is supported with direct quotations from participants to preserve the authenticity of their voices.

### Signing Without Understanding – The Habitual Acceptance of Digital Contracts

A dominant theme that emerged is the automatic acceptance of contract terms without comprehension. Most participants described a routine behavior of consenting to digital contracts without reading or understanding the clauses, driven by time constraints or platform dependency.

“I never read those agreements. They are too long, full of legal words I don’t get. I just click agree so I can use the service.” (Participant 3)

This habitual acceptance reflects a deeper issue of structural asymmetry, where the digital interface and standard clause format obscure participants' agency in negotiation. Participants acknowledged a sense of powerlessness and inevitability, perceiving these contracts as non-negotiable instruments of the platform economy.

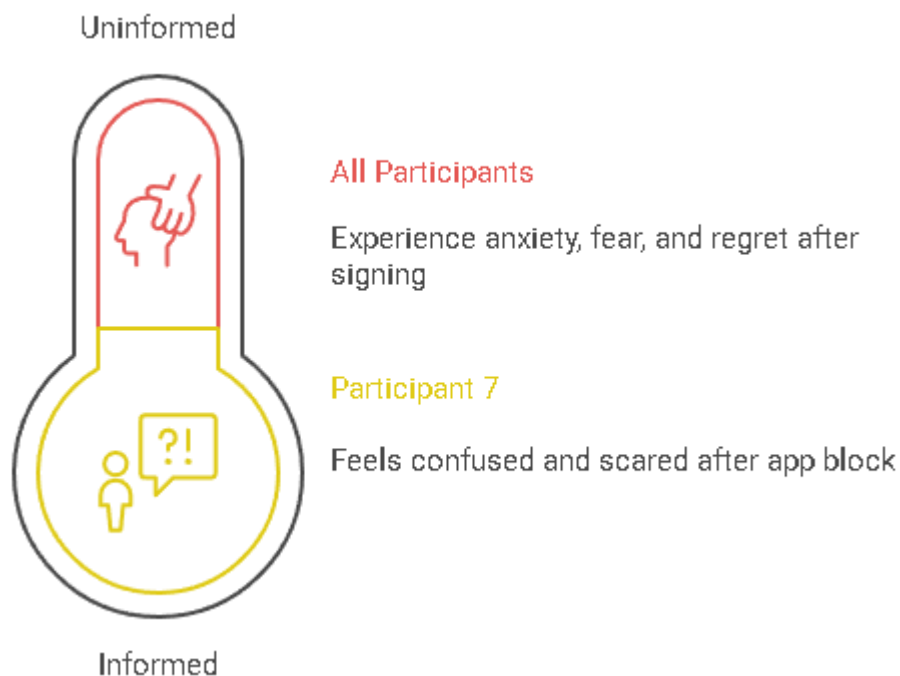
### Emotional Distress and Legal Anxiety – The Psychological Weight of Uninformed Consent

Participants expressed emotional discomfort stemming from signing documents they did not fully understand. There was a pervasive sense of anxiety, fear, and post-agreement regret, especially after encountering problems such as service suspensions or unexpected charges.

“When I was blocked from the app for breaching the terms, I felt very confused. I didn’t know I had agreed to something like that. It was scary.” (Participant 7)

This emotional response underscores a legal consciousness rooted in uncertainty and distrust. It illustrates how uninformed consent, even in civil contracts, can generate psychological burden akin to coercion.

#### Understanding consent's impact: From informed choice to psychological burden



### Asymmetrical Relationships – Perceived Injustice in Contractual Power

Another critical theme was the perception of unfairness and unequal bargaining power in digital transactions. Participants consistently framed the relationship with digital platforms as one-sided, where their voices, choices, and concerns were structurally disregarded.

“I feel small compared to them. They just send a contract and expect me to follow everything without asking me first.” (Participant 2)

This theme reveals a collective interpretation of legal subordination and highlights the limitations of formal legality in delivering substantive fairness for vulnerable contracting parties like UMKM (Micro, Small, and Medium Enterprises).

### **Coping through Informal Support and Legal Intuition**

Despite limited legal knowledge, participants described intuitive strategies to protect themselves, such as asking peers, avoiding certain platforms, or relying on prior bad experiences to inform decisions.

“After what happened before, now I always ask my friend to read the contract for me first, especially if it looks complicated.” (Participant 5)

This theme illustrates an emerging form of grassroots legal resilience. Participants developed adaptive mechanisms to cope with legal opacity, even as they lacked formal tools to contest or negotiate contractual terms.

The essence of the participants’ lived experiences is encapsulated in the sense of disempowered consent a situation where digital contracting becomes a ritualized but psychologically burdensome activity marked by limited understanding, structural inequality, and moral discomfort. While the contracts fulfill legal formality, they fail to uphold the relational and participatory justice expected by the contracting individuals. The findings reflect not merely a legal issue, but a socio-legal experience where the disjunction between law and lived reality remains starkly evident.

## **DISCUSSION**

The findings of this study reveal that micro and small business owners often engage with digital civil contracts in ways that reflect disempowered consent, emotional discomfort, and perceived structural injustice. These experiences, grounded in the interpretative phenomenological analysis, highlight the essential meaning of contracting in digital contexts as a ritualized act shaped more by necessity and trust in systems than by informed legal understanding. These results directly address the central research question: What does it mean to experience and respond to standard clauses in digital civil contracts when comprehension is limited?

The study contributes uniquely to this question by uncovering how participants interpret their legal obligations not merely as formal agreements but as emotionally and socially embedded experiences. Rather than passive acceptance, signing contracts was frequently accompanied by internal conflict, resignation, and adaptive behaviors that reveal underlying moral and legal anxieties. These narratives show that contractual engagement is deeply personal and often ambivalent participants expressed a simultaneous awareness of their legal vulnerability and a practical need to engage with digital platforms. This finding enriches existing conceptualizations of legal consciousness by illustrating that legal encounters are lived through tension, not clarity or choice.

These insights align with and extend prior research by scholars such as Widodo (2023), who noted the imbalance of power in digital contracting but did not explore its psychological impact, and Mulyadi (2023), who focused on legal literacy without addressing subjective interpretation. The present study affirms their conclusions regarding structural disadvantage but introduces a new layer: the emotional and existential weight borne by small business owners when entering binding agreements they do not fully grasp. In contrast to prior studies that treated legal comprehension as a cognitive variable, this research highlights it as a lived dilemma. It also resonates with Smith and Osborn’s (2015) theoretical assertion that individuals assign meaning to legal experiences through their own frameworks, shaped by context and necessity rather than legal training.

### **Implications of the Findings**

The findings of this study carry significant implications for legal practitioners, policymakers, and digital platform designers. They demonstrate that legal experiences particularly in the context of standard digital contracts are not merely matters of agreement or compliance, but deeply affect the psychological well-being, moral judgment, and sense of agency among micro-entrepreneurs. In a

broader social and cultural context, the study suggests that digital legal interactions are increasingly shaping how individuals relate to institutions, perceive justice, and navigate economic survival. These insights call for a more empathetic and participatory approach in the design and regulation of digital contractual frameworks, particularly for legally vulnerable populations such as UMKM actors. Beyond the legal system, this research highlights the need for integrative legal education and platform-level reforms that acknowledge the lived complexity of consent in digital environments.

### **Limitations of the Study.**

While the study offers rich interpretive insights, several limitations should be acknowledged. First, the use of purposive sampling within a specific cultural and geographical context namely, Indonesian micro-entrepreneurs limits the extent to which the findings can be generalized to broader or different populations. Second, although Interpretative Phenomenological Analysis provides depth, its idiographic nature prioritizes individual meaning over broad representativeness, which may restrict its utility in policy generalization without additional complementary studies. Third, the reliance on retrospective narratives might have introduced recall bias, as participants interpreted past contractual experiences through their current understanding or emotional state. These limitations do not undermine the study's validity but rather point to the need for cautious interpretation and contextual sensitivity.

### **Future Research Directions**

The present study opens several avenues for further research in the field of socio-legal studies and digital governance. Future investigations could explore comparative experiences of standard clause interpretation across different cultural or regulatory environments, shedding light on how local legal consciousness shapes responses to globalized legal instruments. Additionally, interdisciplinary studies involving legal anthropology, behavioral economics, and human-computer interaction may offer a more holistic view of how consent is constructed and contested in digital legal spaces. Longitudinal research could also examine how micro-entrepreneurs' understanding and coping strategies evolve over time with increased exposure to digital contracting. Ultimately, this research encourages deeper inquiry into how digital legality is lived, not just applied, and how more responsive systems might be built around the real experiences of those they aim to regulate.

## **CONCLUSION**

This study explored how micro and small business owners experience and respond to standard clauses in digital civil contracts. Employing an interpretative phenomenological approach (IPA), the research revealed that contractual consent often arises under conditions of limited understanding, emotional discomfort, and structural power imbalance. These individuals navigate legal obligations not through formal legal knowledge, but through practical intuition, social relationships, and contextual reasoning. Methodologically, this study demonstrates the value of IPA in legal research by uncovering the nuanced, affective, and interpretive dimensions of legal interaction that are typically inaccessible through normative or quantitative approaches. IPA enables a granular exploration of how legal norms are internalized, contested, or bypassed in everyday life—especially by legally vulnerable populations. This contributes to expanding empirical legal studies by integrating phenomenological insights into the socio-legal discourse.

The findings also carry significant implications for legal and policy reform. Rather than assuming uniform comprehension and consent, digital contract frameworks must account for experiential realities. This includes simplifying legal language, embedding participatory design principles in digital contract interfaces, and ensuring accessible legal recourse mechanisms. Policymakers and legal practitioners should prioritize regulatory models that reflect users' lived realities and reduce epistemic exclusion in legal processes. By centering lived experience, this research advances a more human-centered perspective on legal design and regulation. Future studies may build on this work by exploring cross-cultural digital contracting practices or integrating phenomenology with participatory action research to co-develop more equitable digital legal systems.

## CONFLICT OF INTEREST

The authors declare that there is no conflict of interest.

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