

FIQH MUAMALAH: A SMART GUIDE TO MANAGING FINANCES FOR MIGRANT WORKERS

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ABSTRACT Managing personal finances is a crucial aspect for migrant workers living in foreign countries. This paper explores the application of Fiqh Muamalah principles in financial management for migrant workers, providing practical guidance to ensure their financial activities align with Islamic teachings. Fiqh Muamalah encompasses justice, honesty, willingness, transparency, and halal (permissibility). These principles ensure that all financial transactions are fair, honest, and compliant with Islamic law. This paper outlines practical steps, including budgeting, consistent saving, avoiding unnecessary debt, halal investments, efficient remittance practices, and the significance of charity and zakat. Case studies illustrate the application of these principles, such as creating a monthly budget that balances daily needs, savings, and charitable contributions. Additionally, choosing halal investment options like Islamic deposits that avoid usury is discussed. The results demonstrate that adhering to Fiqh Muamalah principles can significantly enhance the financial well-being and spiritual fulfillment of migrant workers. In conclusion, by integrating these principles into their financial management practices, migrant workers can achieve greater financial stability and blessings in their lives. The paper recommends further educational programs to enhance awareness and understanding of Islamic financial management among migrant workers.

Keywords: *Halal Investment; Migrant Workers' Finance; Fiqh of Transactions; Financial Well-being*

1. INTRODUCTION

Indonesia as a developing country is faced with various complex economic problems, including unemployment, poverty and income inequality. One striking phenomenon is labor migration, which is often carried out by the Indonesian population as a response to regional development disparities. This inequality causes high unemployment rates in several regions, encouraging residents to look for job opportunities abroad. (Dewandaru et al., 2019)

The migration of Indonesian workers abroad is largely driven by the inability of the domestic labor market to absorb the workforce which continues to increase every year. Domestic industry has not been able to provide adequate employment opportunities to accommodate the increasing workforce, so many residents have decided to earn a living in other countries. (Suranto et al., 2024) This choice is often seen as a solution to overcome economic difficulties in the country. domestically, as well as an effort to improve the standard of living of the families left behind.

However, even though working abroad provides opportunities for higher income, many Indonesian migrant workers are not able to manage their finances well. Poor financial management can result in a variety of problems, including financial instability, inability to save, and difficulty achieving long-term financial goals. In addition, a lack of knowledge and skills in managing finances can make migrant workers vulnerable to financial risks, such as mounting debt and unsafe investments. (UPI Public Relations, 2024)

In this context, it is important to provide education and counseling to migrant workers on how to manage finances effectively and in accordance with the principles of Fiqh Muamalah. Fiqh Muamalah is a branch of Fiqh (Islamic law) which regulates relations between humans in social and economic aspects, including financial management. (Damayanti et al., 2022) The basic principles of Fiqh Muamalah, such as justice (Al-Adl), honesty (As-Sidq), halal (Halal), willingness (Ar-Ridha), and transparency (Al-Mubayyanah), can be good guides in managing finances Islamically. (Affandi, n.d.)

It is hoped that education on financial management based on Muamalah Fiqh can help migrant workers achieve financial stability and sustainable prosperity. By understanding and applying these principles, migrant workers can make wiser financial decisions, save consistently, avoid unnecessary debt, invest halally, and give charity in accordance with zakat provisions. Ultimately, it is hoped that this effort will not only improve the economic conditions of migrant workers, but also make a positive contribution to their families and communities in Indonesia.

This research aims to explore the application of the principles of Fiqh Muamalah in financial management for Indonesian migrant workers. Through outreach and training activities, it is hoped

that we can provide practical guidance that suits the needs and challenges faced by migrant workers, and help them achieve better financial well-being.

Migrant workers are an integral part of the social and economic structure in various countries, contributing to productivity and global economic growth. (Ningsih, 2024) However, migrant workers often face significant challenges in managing their finances in the destination country, especially when having to adapt to the system. different financial and uncertain work environments. (Ramadhano & Lie, 2023) In this context, it is important to understand that migrant workers are one of the vulnerable segments in society that requires special attention in managing their finances.

For example, in many countries, migrant workers often face difficulties in accessing financial products that comply with their religious principles, such as halal investment and sharia banking. (Dewandaru et al., 2019) In addition, they may also experience difficulties in navigate a secure and affordable international money transfer system to send remittances to their families in their home countries. This phenomenon is the main basis for various community empowerment efforts aimed at improving the financial welfare of migrant workers. Various parties, including government, non-governmental organizations and financial institutions, have taken various steps to overcome this challenge. However, there remains a significant need to further strengthen these efforts and provide more sustainable solutions for migrant workers.

This research aims to explore a new approach to financial management for migrant workers, using the principles of Fiqh Muamalah as a framework. This research also aims to contribute to our understanding of how applying religious principles in financial management can improve the financial well-being of migrant workers.

Active participation and direct interaction with the migrant worker community will be at the core of this community engagement program. Through close collaboration with communities, we hope to better identify their needs and design more relevant and effective solutions. Thus, this research will not only be an academic contribution, but will also have a significant impact in improving the welfare of migrant workers in practice.

2. METHOD

The method used in this research is video-based financial counseling aimed at migrant workers. The video-based service journal method is a strategy used in community service to convey knowledge or skills through video. (Rokhayati, 2020) Videos for service must have at least two elements, namely visual and audio to provide teaching material to the community. (Dewi Novita, 2021) This method allows people to study material more effectively and efficiently, as well as retain

knowledge and remember it accurately. (Monsiah, 2013) This counseling is carried out over a period of 1 week, starting from 20 May 2024 to 26 May 2024. The counseling is carried out online via zoom which can be accessed by migrant workers from various locations.

The first step in this method is to design outreach video content that is relevant to the needs and financial problems faced by migrant workers. The video content is designed keeping in mind the principles of Fiqh Muamalah and focuses on topics such as budget management, savings, halal investments, international money transfers, and the importance of zakat and charity. Once the video content is planned, the production process begins. The production team consists of financial experts, content creators, and outreach facilitators. Videos are produced using audiovisual techniques that attract attention and are easy for the audience to understand. The video duration is 7 minutes so as not to exceed the audience's attention limit. After the video has been produced, the distribution stage begins. The video is sent via Google Drive which has been provided by the committee, then will be broadcast on May 26 2024, which will be attended by Malaysian Migram participants and all international PKM participants. In addition, an online counseling schedule has also been prepared to ensure that migrant workers can watch the videos regularly. During and after the counseling period, evaluation of the videos is carried out periodically. Given the limited time, there are no questions and answers or feedback from migrant workers regarding the usefulness, clarity and quality of the counseling videos.

By using this method, it is hoped that the outreach video can provide migrant workers with a better understanding of financial management based on the principles of Fiqh Muamalah. It is also hoped that this video will help improve their financial skills and awareness, so that they can manage their finances more effectively and sustainably. In designing this method, we also referred to previous research on the effectiveness of video-based financial counseling and experience from similar outreach programs. This method is considered effective due to its flexibility in reaching a wide audience and the potential to provide useful and accessible content for migrant workers.

3. RESULT AND DISCUSSION

3.1 Implementation of Pkm International



Figure 1. Presentation Video

The PKM International III event which was held on May 26 2024 at the Indonesian School Kuala Lumpur (SIKL) was an activity designed to provide understanding and skills related to financial management based on the principles of Fiqh Muamalah to participants, especially migrant workers and PMI. With an eight-hour event, starting from 09.00 to 17.00 Malaysian time or 08.00 to 16.00 WIB, various activities are carried out according to the needs and characteristics of various audiences.



Figure 2. Implementation

The event participants consisted of 100 PMI who are members of the Indonesian community who work abroad, 5-10 foreign migrant workers who live in Malaysia, and 10 teachers from the Kuala Lumpur Indonesian School (SIKL). The diversity of participants' backgrounds and experiences is a challenge in designing appropriate materials and approaches in conveying information.

The main activities in this event include counseling, training and workshops in the SIKL Main Hall. Counseling is carried out by presenting material on the principles of Muamalah Fiqh in daily financial management. Training is carried out to provide practical skills to participants in managing their finances in accordance with these principles. Meanwhile, the workshop provides an opportunity for participants to interact directly, ask questions, and share experiences in facing challenges related to financial management. Apart from that, the presentation video was also played in the classroom without a question and answer session from the participants. This is due to time constraints which do not allow for direct interaction between speakers and participants. However, video presentations still make a significant contribution in increasing participants' understanding and awareness regarding the topics presented.

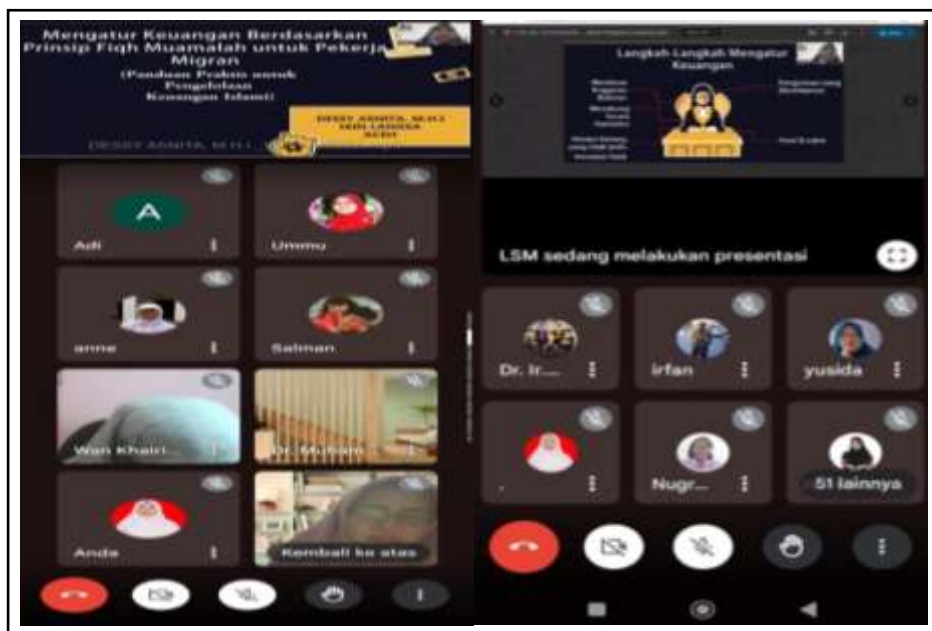


Figure 3. Playing Video Presentation in Classroom

In addition, medical examinations were also held by specialist doctors, nurses and midwives from the Faculty of Medicine, Airlangga University (FK UNAIR) in every available room. This examination aims to ensure the physical well-being and health of the participants, as well as providing necessary health services.



Figure 4. Photo during a health examination by specialist doctors, nurses and midwives from the Faculty of Medicine, Airlangga University

Of the total participants who attended, 42 people took part in person (offline) and 130 people took part online (online). All online participants are required to attend online on Sunday, May 26, by filling in morning and afternoon attendance which will be attached to the PKM report. Online participant participation provides wider opportunities for participants who cannot be physically present to continue taking part in the event and benefit from the material presented.

The implementation of the PKM International III event showed significant involvement from various parties, such as NGO Sharing, the Indonesian Embassy/SIKL, PCINU, PPI UPSI, and 82 universities in Indonesia. This reflects the strong support from various institutions and organizations in efforts to increase financial understanding and skills based on Muamalah Fiqh for the community, especially migrant workers and PMI. The presence of these various stakeholders has a positive impact in increasing the effectiveness and relevance of the event, as well as expanding the reach of messages and information conveyed to the public. The cross-sectoral collaboration established in this event also opens up opportunities for synergy in providing better services and resources for the community.

Even though there are obstacles in playing presentation video without a question and answer session from participants, this does not reduce the value and benefits of the material presented. The video presentation continues to make a significant contribution in increasing participants' understanding and awareness regarding financial management in accordance with Islamic principles. The health checks held also show comprehensive attention to the physical well-being and health of participants. Thus, this event not only provides benefits in increasing participants'

financial knowledge and skills, but also makes a significant contribution in improving overall welfare. It is hoped that the results and discussions from the PKM International III event can provide a useful contribution in increasing people's financial understanding and skills, as well as strengthening cooperation between related institutions and organizations in efforts to empower the community, especially migrant workers and PMI.

3.2 Counseling Materials

1. Managing Finances Based on the Principles of Fiqh Muamalah for Migrant Workers: A Practical Guide to Islamic Financial Management

Good financial management and in accordance with Islamic principles is a challenge for migrant workers. This article reviews the concept of Fiqh Muamalah and its application in financial management for migrant workers. Through principles such as justice, honesty, consent, transparency and halal, migrant workers can manage their finances wisely and happily. This article also presents practical steps and case studies to help migrant workers manage their finances in accordance with Islamic teachings.

Good financial management is the key to achieving financial prosperity, especially for migrant workers in foreign countries. Fiqh Muamalah, as part of Islamic law, provides clear guidelines on how to manage finances in an Islamic manner. This article aims to provide practical guidance to migrant workers on how to manage finances based on the principles of Fiqh Muamalah. Muamalah Fiqh is a branch of Fiqh which regulates social relations and economic transactions between humans. The basic principles include justice, honesty, consent, transparency and halal. This concept ensures that all economic transactions and interactions are carried out in a fair manner and in accordance with Islamic law.

Basic Principles of Muamalah Fiqh in Financial Management:

1. Justice (Al-Adl): Justice in financial management means ensuring that all transactions are carried out fairly and do not harm either party. Expenditures must be divided proportionally for daily needs, savings and charity (St. Saleha Madjid, 2018).
2. Honesty (As-Sidq): Honesty is an important element in all aspects of life, including financial management. Information about income and expenses must be conveyed honestly to all interested parties (Rusdan, 2022).
4. Willingness (Ar-Ridha): All financial transactions must be carried out willingly without coercion. Financial decisions, especially those concerning family, must be based on mutual agreement (Hawari, 2023).

5. Transparency (Al-Mubayyanah): Transparency in financial management means that all income and expenses must be recorded and audited openly. A monthly budget must be created and adhered to (Faisal, 2015).
6. Halal (Halal): All sources of income and expenditure must come from halal activities. Migrant workers must ensure that their work and investments comply with sharia principles (Maman Suryaman & Bisri, 2023).

Tabel 1.*Practical Steps to Manage Finances*

No.	Step Description	Step Description
1.	Make a Monthly Budget	Make a list of income and expenses every month. Prioritize spending on basic needs, savings and charity.
2.	Save Consistently	Set aside a portion of your income for savings every month. Use the "put aside first" principle before spending money
3.	Avoid Unnecessary Debt	Avoid consumer debt that is not urgent. If you have to go into debt, make sure the debt is halal and can be repaid on time
4.	Halal Investment	Choose investments that comply with sharia principles, such as sharia deposits or sharia shares. Avoid investments that contain usury or activities that are prohibited.
5.	Money Transfer (Remittance)	Use safe and efficient money transfer services. Choose a service that offers low costs and fast delivery times.
6.	Charity and Zakat for zakat and charity	Make sure the zakat calculation is done correctly and distributed to those who are entitled.

3.3 Case study

1. Monthly Budget: A migrant worker with a monthly income of \$1,000 makes a budget as follows: basic needs \$500, savings \$200, sending money to family \$200, and charity \$100. This way, he can ensure all needs are met and still have savings and do charity.
2. Halal Investment: A migrant worker chooses to invest in sharia deposits that offer profit sharing without usury. This ensures that the investment is halal and in accordance with sharia principles.
3. Managing finances based on the principles of Fiqh Muamalah helps migrant workers live a prosperous life in accordance with Islamic teachings. By following practical steps such as making a budget, saving, avoiding unnecessary debt, investing halally, and giving charity, migrant workers can manage their finances wisely and with blessings.

CONCLUSION

From the implementation of PKM International III that has been carried out, it can be concluded that there has been significant achievement of the community empowerment activity targets that have been set. The counseling, training and workshops that were held succeeded in providing suitability of community empowerment methods with the problems, needs and challenges faced by the community, especially migrant workers and PMI.

By delivering material on the principles of Fiqh Muamalah in financial management, participants are given practical understanding and skills that can help them manage their finances more effectively and sustainably. Screening video presentations and health checks also make a significant contribution to improving participants' physical and financial well-being.

The impact and benefits of this community empowerment activity can be seen from the increased understanding and awareness of participants regarding financial management in accordance with Islamic principles. Apart from that, cross-sectoral collaboration between various institutions and organizations also opens up opportunities for synergy in providing better services and resources for the community.

For further community empowerment, it is recommended to continue to strengthen cross-sectoral cooperation and increase community participation in planning and implementing activities. Selection of methods that are appropriate and relevant to community needs as well as improving the quality of content and information delivery also need to be considered so that more optimal results can be achieved. Thus, through sustainable and targeted community empowerment efforts, it is hoped that it can continue to provide real benefits for the welfare and progress of the community, as well as strengthen cooperation between institutions and organizations in achieving common goals in developing a better society.

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