Enhancing Financial Accounting Awareness among Indonesian Migrant Workers

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ABSTRACT The community service project serves as a targeted intervention to address the pressing need for financial literacy among Indonesian Migrant Workers (PMI) under the care of KBRI Kuala Lumpur. Executed over the course of one semester, spanning from October to December 2023, the initiative embraced a hybrid model, seamlessly integrating both in-person and virtual activities, hosted at the Hasanuddin Hall of KBRI Kuala Lumpur. This collaborative effort engaged SHARING, KBRI Kuala Lumpur, PPI UPSI Malaysia, and 115 universities in Indonesia and Malaysia, emphasizing the significance of partnerships in achieving widespread impact. The project methodology adopted a systematic approach, commencing with a comprehensive needs assessment to identify specific financial challenges faced by PMI. Subsequently, a series of workshops, webinars, and interactive sessions were organized, featuring financial experts, educators, and successful PMI. These sessions aimed to instil essential financial accounting principles, such as budgeting and financial planning, crucial for PMI navigating the complexities of international labour markets. Preliminary results underscore the success of the initiative, with heightened participation rates, improved financial literacy levels, and the establishment of a supportive community. The practical application of financial principles in participants' daily lives showcases the tangible impact of the project. An online platform, serving as a repository for resource materials and a forum for ongoing discussions, ensures continuous support beyond the project's timeline. In conclusion, the project exemplifies the efficacy of a hybrid approach in addressing the unique needs of PMI. The collaborative and comprehensive methodology, coupled with ongoing support through online platforms, demonstrates a commitment to sustainable impact and sets the stage for future endeavors in empowering PMI with essential financial literacy skills.

Keywords: *Indonesian Migrant Workers, financial accounting awareness, community service, hybrid approach, financial literacy.*

INTRODUCTION

The migration of Indonesian workers to various parts of the world has long been a significant aspect of the nation's economic landscape. Indonesian Migrant Workers (PMI), seeking opportunities abroad, contribute not only to the development of host countries but also play a pivotal role in supporting their families and communities back home. However, the journey for PMI is often fraught with numerous challenges, particularly for those who find themselves in difficult circumstances under the care of the Indonesian Embassy in Kuala Lumpur (KBRI Kuala Lumpur). These challenges span various aspects, with financial management emerging as a critical concern.

Financial challenges have been identified as one of the primary hurdles faced by migrant worker populations globally (Lee et al., 2019; Taylor, 2016). This is particularly true for PMI, who encounter unique economic and social dynamics in their host countries. The financial hurdles faced by PMI under the care of KBRI Kuala Lumpur are exacerbated by the diverse issues they grapple with, including legal complexities, workplace exploitation, and the emotional toll of being away from their families.

As highlighted by previous research, financial literacy plays a pivotal role in the economic well-being of individuals, especially those navigating foreign labor markets (Ambrosini, 2017; Chiswick, 2008). The importance of financial literacy is magnified for PMI, given the complex financial landscapes they navigate, including remittance management, understanding taxation systems, and making informed investment decisions (Demir, 2020). A lack of financial awareness has been linked to adverse consequences, such as increased indebtedness and challenges in adapting to new environments (McKenzie & Woodruff, 2006; Becker et al., 2010).

In this context, the significance of enhancing financial accounting awareness among PMI cannot be overstated. Financial accounting is not merely about tracking income and expenses but is a vital tool that empowers individuals to make informed financial decisions, safeguard their earnings, and plan for a sustainable financial future. For PMI, possessing a foundational understanding of financial accounting principles is crucial for managing their finances efficiently, protecting themselves from potential exploitation, and ensuring a smooth reintegration into their home communities.

The current community service project, titled "Enhancing Financial Accounting Awareness among Indonesian Migrant Workers," acknowledges the urgency of addressing the financial literacy gap among PMI under the care of KBRI Kuala Lumpur. Collaboratively organized by SHARING, KBRI Kuala Lumpur, PPI UPSI Malaysia, and 115 universities across Indonesia and Malaysia, this initiative aims to equip PMI with the knowledge and skills necessary for effective financial management.

2. METHOD

The methodology employed in the community service project, "Enhancing Financial Accounting Awareness among Indonesian Migrant Workers," is designed to ensure a comprehensive and effective intervention tailored to the unique needs of PMI under the care of KBRI Kuala Lumpur. The methodology encompasses both in-person and virtual elements, providing flexibility and accessibility for the diverse locations and circumstances of the targeted PMI.

The project spans a semester, conducted from October to December 2023, with activities held at the Hasanuddin Hall of KBRI Kuala Lumpur. The hybrid approach incorporates the following key elements:

1. Needs Assessment:

Before the commencement of the project, a thorough needs assessment is conducted to identify the specific financial accounting challenges faced by PMI under the care of KBRI Kuala Lumpur. Surveys, interviews, and discussions with stakeholders, including PMI themselves, are employed to gather valuable insights into their existing knowledge, concerns, and aspirations regarding financial management.

2. Workshop and Webinar Series:

A series of workshops and webinars are organized, featuring financial experts, educators, and successful PMI sharing their experiences. The workshops cover foundational financial accounting principles, budgeting techniques, and practical strategies for managing income and expenses in the context of international labor markets. The virtual component allows PMI from various locations to participate actively.

3. Interactive Sessions:

To foster a supportive community and encourage peer learning, interactive sessions are integrated into the project. These sessions provide a platform for PMI to share their financial management challenges, discuss successful strategies, and engage in hands-on exercises. The interactive format aims to enhance the practical application of financial accounting principles in their daily lives.

4. Resource Materials and Online Platforms:

Comprehensive resource materials, including manuals, guides, and online modules, are developed to supplement the workshops and webinars. These materials serve as references for PMI to revisit and reinforce their understanding of financial accounting concepts. An online platform, such as a dedicated website or forum, is established to facilitate continuous communication, resource sharing, and networking among PMI.

5. Surveys and Feedback Mechanisms:

To evaluate the effectiveness of the intervention, surveys and feedback mechanisms are implemented at various stages of the project. Participants are encouraged to provide feedback on the content, format, and overall impact of the financial accounting awareness initiative. This iterative feedback process allows for continuous improvement and ensures the project remains responsive to the evolving needs of PMI.

3. RESULT AND DISCUSSION

The community service project has yielded significant results in addressing the financial literacy gap among PMI under the care of KBRI Kuala Lumpur. This section presents a comprehensive analysis of the project's outcomes and discusses their implications for the economic resilience and well-being of participating PMI.

1. Participation and Engagement

The project witnessed active participation from PMI across diverse locations, both in Indonesia and Malaysia. The hybrid approach, incorporating in-person activities at KBRI Kuala Lumpur and virtual components, contributed to the inclusivity of the initiative. The workshops, webinars, and interactive sessions saw robust attendance, indicating a genuine interest among PMI in enhancing their financial accounting knowledge. The high participation rates underscore the relevance of the initiative to PMI, emphasizing the eagerness of individuals to acquire financial literacy skills. The hybrid model's success suggests that flexibility in delivery methods is crucial for accommodating the varied circumstances and locations of PMI.

2. Improved Financial Literacy

Pre- and post-assessments conducted as part of the project revealed a notable improvement in the financial literacy levels of participating PMI. Key concepts related to financial accounting, including budgeting, record-keeping, and understanding financial statements, exhibited a significant positive shift. The observed improvement in financial literacy aligns with previous research emphasizing the efficacy of targeted financial education programs (Lee et al., 2019; Mandell & Klein, 2009). The newfound knowledge equips PMI with the skills necessary for informed decision-making, reducing the likelihood of falling into debt traps or facing financial exploitation.

3. Community Building and Peer Learning

Interactive sessions facilitated robust community building among PMI, fostering an environment of shared experiences and peer learning. Participants actively exchanged financial management strategies, providing valuable insights into practical approaches that proved effective in their respective contexts. The sense of community established through these sessions enhances the sustainability of the project's impact. Peer learning proves to be a powerful tool, allowing PMI to draw from collective wisdom and adapt financial accounting principles to their unique situations. This community-centric approach aligns with studies highlighting the positive outcomes of social learning in financial education (Cole & Shastry, 2009; Lusardi & Mitchell, 2007).

4. Practical Application of Financial Accounting Principles

Participants reported a heightened ability to apply financial accounting principles to their daily lives. Practical exercises and case studies conducted during the workshops facilitated hands-on learning, enabling PMI to implement budgeting techniques, track expenses, and set realistic financial goals. The emphasis on practical application ensures that the financial literacy gained is not merely theoretical but translates into tangible improvements in PMI's financial behaviors. This aligns with the literature, which suggests that the effectiveness of financial education is heightened when it incorporates real-world scenarios (Hastings et al., 2013; Lusardi, 2019).

5. Continuous Support through Online Platforms

The establishment of online platforms for resource sharing and communication has proven instrumental in providing continuous support to PMI. The platforms serve as repositories of resource materials, discussion forums, and avenues for ongoing mentorship, reinforcing the project's impact beyond its initial timeline. The sustained support through online platforms recognizes the evolving nature of financial challenges faced by PMI. The ability to access resources and engage in discussions post-project ensures a lasting impact and encourages a culture of continuous learning among PMI (Collins & O'Rourke, 2010; Karlan et al., 2017).

6. Challenges and Lessons Learned

While the project achieved considerable success, it is crucial to acknowledge the challenges encountered and the lessons learned throughout the implementation. Challenges included varying levels of technological access among PMI, language barriers, and the need for tailored content to address specific subgroups within the PMI community. These challenges underscore the importance of adaptability in community service initiatives. Future projects can benefit from incorporating language-sensitive materials, addressing technological disparities, and adopting a more nuanced approach to cater to diverse PMI subgroups.

7. Future Directions and Sustainability

The positive outcomes of the community service project pave the way for future initiatives focused on enhancing financial accounting awareness among PMI. Collaborations with relevant stakeholders, including government agencies, financial institutions, and non-governmental organizations, can contribute to the sustainability and scalability of similar programs. The engagement of diverse stakeholders can bring in additional resources, expertise, and support, ensuring the longevity and widespread impact of financial literacy initiatives for PMI. Partnerships with academic institutions, such as the 115 universities involved in this project, can further contribute to research efforts and the refinement of financial education curricula.

Figure 1. flyer Activities

Figure 2. Indonesian Migrant Workers

CONCLUSION

The community service project has proven to be a valuable intervention in addressing the financial literacy gap among PMI under the care of KBRI Kuala Lumpur. The results demonstrate a positive shift in financial knowledge, increased community engagement, and the practical application of financial accounting principles. While challenges were encountered, the lessons learned provide valuable insights for future initiatives. The sustainability of the project lies in ongoing support through online platforms, collaborations with stakeholders, and a commitment to adapting to the evolving needs of PMI. This initiative stands as a testament to the transformative power of targeted financial education in empowering PMI and contributing to their economic resilience and well-being.

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