

Empowering Indonesian Migrant Workers through Financial Literacy: A Hybrid Community Engagement Initiative on Shariah Financial Literacy

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ABSTRACT This community engagement initiative focuses on enhancing financial literacy among Indonesian Migrant Workers (PMI) under the care of the Indonesian Embassy in Kuala Lumpur. Pre-program assessments revealed varied financial literacy levels among participants, emphasizing the program's necessity. The hybrid approach, combining physical workshops and virtual sessions, maximized engagement, considering diverse participant locations and pandemic-related constraints. Tailored modules covering budgeting, savings, investments, and ethical financial practices showcased significant improvements in post-program assessments. Interactive sessions fostered active participation, and knowledge transfer sessions empowered selected participants as community leaders for sustained impact. Continuous monitoring and evaluation provided insights into program effectiveness, highlighting strengths and revealing challenges like occasional connectivity issues. Overall, the initiative positively influenced participants' financial knowledge, aligning their practices with Shariah principles in future. Acknowledging the collaborative efforts of stakeholders, this initiative signifies a step towards empowering PMI with essential financial skills for a more secure and ethical financial future.

Keywords: *Financial Literacy, Indonesian Migrant Workers, Shariah-Compliant Finance, Community Engagement, Hybrid Program.*

INTRODUCTION

The global migration of workers seeking economic opportunities has led to a substantial population of Indonesian Migrant Workers (PMI) contributing significantly to the economies of host countries. However, the challenges faced by PMI are complex and varied, ranging from legal complexities to workplace exploitation. A subset of PMI currently under the care of the Indonesian Embassy in Kuala Lumpur experiences distinct challenges, prompting the initiation of a community engagement program to address their specific needs.

Research by Hugo (2019) reveals the vulnerabilities of migrant workers globally, emphasizing the need for targeted interventions to address their unique challenges. Indonesian Migrant Workers,

particularly those facing difficulties, require comprehensive support to navigate financial complexities and ensure their well-being while working abroad.

The financial well-being of PMI is pivotal, not only for the individuals themselves but also for the broader Indonesian community. PMI, through remittances, play a vital role in contributing to Indonesia's economic growth. Therefore, addressing the financial challenges faced by PMI is not only an ethical responsibility but also an investment in the nation's economic resilience. Studies by Kusumaningrum et al. (2022) and Su et al. (2021) underscore the importance of tailored financial education programs to address the specific challenges faced by PMI, providing a foundation for the rationale of this initiative.

Furthermore, the predominantly Muslim composition of the Indonesian migrant workforce necessitates a nuanced approach to financial literacy. Recognizing this, the initiative focuses on Shariah-compliant financial literacy, aligning with the cultural and religious values of PMI. The significance of integrating Shariah principles into financial literacy programs for the Muslim migrant workforce is highlighted in studies by Shamsuddin et al. (2019) and Setiawan (2020).

The significance of this initiative lies in its potential to transform the financial resilience and well-being of PMI under the care of the Indonesian Embassy in Kuala Lumpur. By imparting Shariah-compliant financial literacy, the initiative aims to empower PMI with the knowledge and skills necessary for informed financial decision-making. The potential positive impact extends beyond the individuals involved, contributing to the overall stability and resilience of the Indonesian migrant workforce.

Research by Abdullah et al. (2021) emphasizes the transformative potential of financial literacy programs, suggesting that such initiatives can lead to improved financial decision-making and overall well-being. This initiative, by focusing on Shariah-compliant financial literacy, strives to provide a culturally sensitive and ethically grounded approach to addressing the financial challenges faced by PMI.

Existing studies underscore the importance of comprehensive financial education programs tailored to the specific context of PMI. Su et al. (2021) highlight the vulnerabilities of PMI and stress the need for targeted financial literacy interventions. Additionally, Setiawan (2020) emphasizes the importance of financial education programs being culturally and religiously sensitive, aligning with the values and beliefs of the predominantly Muslim PMI community.

The primary objectives of this initiative are rooted in addressing the identified gaps and challenges, as outlined by Su et al. (2021) and Shamsuddin et al. (2019), and are designed to empower PMI through enhanced financial literacy, specifically focusing on Shariah principles. The

forthcoming sections will delve into the detailed methodology employed, the outcomes of the initiative, and their implications for the financial well-being of Indonesian Migrant Workers.

2. METHOD

The community service initiative employed a hybrid approach, combining physical and virtual sessions over one semester from October to December 2023. Participants were Indonesian Migrant Workers (PMI) facing various challenges under the care of the Indonesian Embassy in Kuala Lumpur. A needs assessment informed the development of a tailored curriculum that integrated conventional financial literacy principles with Shariah-compliant concepts.

Interactive webinars enhanced participant engagement. Continuous monitoring and evaluation, including pre- and post-assessments, ensured program effectiveness. Knowledge transfer sessions empowered selected participants as community leaders to sustain the initiative's impact. Ethical considerations were prioritized, with a focus on cultural and religious sensitivities. This methodology aimed to provide a comprehensive and culturally sensitive financial literacy program for the targeted PMI population.

3. RESULT AND DISCUSSION

The community engagement initiative successfully reached a diverse group of Indonesian Migrant Workers (PMI) under the care of the Indonesian Embassy in Kuala Lumpur. The participants, facing challenges such as legal complexities and workplace exploitation, represented a broad spectrum of experiences within the migrant workforce.

Initial assessments revealed varying levels of financial literacy among participants. Many lacked basic knowledge of budgeting, savings, and investments. The understanding of Shariah-compliant financial principles was particularly limited. These findings underscored the necessity of the program and guided the development of targeted interventions.

The hybrid approach, combining physical sessions at Aula Hasanuddin KBRI Kuala Lumpur with virtual components, proved successful in maximizing participant engagement. Virtual platforms facilitated real-time interaction during webinars, while physical workshops provided a hands-on learning experience. The flexible approach accommodated diverse participant locations and adhered to pandemic-related health and safety measures.

The tailored curriculum, incorporating conventional financial literacy principles and Shariah-compliant concepts, significantly improved participants' financial knowledge. Post-assessment results demonstrated a notable increase in understanding budgeting, savings strategies,

and ethical financial practices. The incorporation of Shariah principles resonated well with participants, fostering a deeper appreciation for ethical financial decision-making.

Participants reported positive changes in their financial behaviours post-program. Many began implementing budgeting techniques to manage their earnings effectively. The encouragement of savings practices was particularly impactful, with participants expressing newfound confidence in planning for their future. The ethical considerations embedded in Shariah-compliant financial teachings influenced participants' investment decisions, aligning their practices with their religious beliefs.

Interactive workshops and webinars played a pivotal role in engaging participants. Discussions, case studies, and practical exercises facilitated active participation, allowing participants to apply newly acquired knowledge. The virtual nature of these sessions provided a unique platform for real-time questions and shared experiences, creating a collaborative learning environment.

The initiative's sustainability was enhanced through knowledge transfer sessions, empowering selected participants as community leaders. These leaders, equipped with advanced training, expressed enthusiasm in disseminating financial literacy knowledge within their respective communities. This cascading model demonstrated the potential for long-term impact beyond the program's duration.

Continuous monitoring and evaluation revealed valuable insights into program effectiveness. Feedback sessions highlighted the program's strengths, including the relevance of content, the expertise of facilitators, and the hybrid approach. Participants appreciated the cultural and religious sensitivity embedded in the program, contributing to a positive learning experience.

Despite the overall success, challenges were identified. Connectivity issues during virtual sessions and language barriers surfaced as occasional obstacles. Lessons learned included the importance of providing additional language support and ensuring reliable internet access for virtual components. The insights gained will inform future iterations of similar programs.

The positive outcomes of this initiative extend beyond individual participants. Improved financial literacy among PMI contributes to the economic resilience of their families and, consequently, the broader Indonesian community. Future directions may involve scaling the program to reach more PMI populations and exploring collaborations with local authorities for sustained impact.

Comparative analysis with previous studies, such as those by Su et al. (2021) and Shamsuddin et al. (2019), underscores the effectiveness of tailored financial education programs.

The incorporation of Shariah-compliant financial literacy adds a unique dimension, aligning with the cultural and religious values of the predominantly Muslim PMI community.



Figure 1. Flyer Community Service Activities

CONCLUSION

In conclusion, the community engagement initiative significantly enhanced the financial literacy of Indonesian Migrant Workers under the care of the Indonesian Embassy in Kuala Lumpur. The hybrid approach, tailored curriculum, and emphasis on Shariah-compliant financial principles contributed to positive changes in participants' financial knowledge and practices. The cascading model of knowledge transfer further strengthens the program's potential for sustainable impact. Challenges identified provide valuable insights for refining future initiatives, ensuring their continued relevance and effectiveness in empowering PMI with essential financial skills.

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