



FROM KNOWLEDGE TO ACTION: EMPOWERING INDONESIAN MIGRANT WORKERS THROUGH FINANCIAL LITERACY

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Abstract

This article presents a community service initiative aimed at enhancing the financial literacy and entrepreneurial skills of Indonesian migrant workers in Malaysia, contributing to the Sustainable Development Goals (SDGs) of No Poverty (SDG 1) and Quality Education (SDG 4). Migrant workers often face significant barriers, including limited financial literacy and access to entrepreneurial opportunities, which hinder their socioeconomic advancement. The initiative, executed through a webinar titled "Unlocking Success: Financial Literacy & Entrepreneurial Empowerment", provided essential knowledge on personal financial management, entrepreneurial opportunities, and personal branding. The webinar featured expert speakers from Universiti Teknologi Mara Malaysia and Universitas Negeri Jakarta (UNJ). The event's success was reflected in positive participant feedback, although suggestions for future improvements included extended speaker interaction, language support, and alternative scheduling. The initiative underscores the importance of targeted interventions to empower migrant workers, enabling them to overcome socioeconomic challenges and contribute to sustainable development.

Keywords: Financial literacy, entrepreneurial skills, Indonesian migrant workers, UNJ, UiTM

INTRODUCTION

In pursuit of sustainable development and realizing the United Nations' Sustainable Development Goals (SDGs), it is imperative to address the multifaceted challenges migrant workers face worldwide. Among these challenges, poverty and lack of access to quality education stand out as significant barriers to socioeconomic empowerment and inclusive development. Recognizing the importance of targeted interventions to address these challenges, this article outlines a community service initiative to enhance the financial literacy and entrepreneurial skills of migrant workers in Malaysia. Equipping migrant workers with essential knowledge and resources, this initiative empowers individuals to overcome socioeconomic obstacles and contribute meaningfully to sustainable development efforts.

This initiative is also relevant in the context of human rights protection, as migrant workers often find themselves in unsafe working conditions and lack access to social security. Training focused on financial literacy and entrepreneurial skills equips migrant workers with the tools to improve their living standards and protect themselves from exploitative practices. Additionally, entrepreneurial skills allow them to plan for a better future in their current country of residence and upon returning to their home country. Therefore, such interventions empower individuals and promote broader social and economic inclusion at the core of the Sustainable Development Goals (SDGs).

Entrepreneurship is the ability to think creatively and innovatively, possess acumen to identify opportunities, and consistently be open to feedback and positive change that can drive business growth

and create value. One of the factors driving innovation, aside from change and the need for adaptation, is awareness of the gaps between the current state of affairs and what should be, as well as the disparity between what is desired by society and what has been offered or done by the government, private sector, and NGOs (Saragih, 2017). In the future, government policies should foster the growth and development of entrepreneurship. The government must enhance its role in empowering entrepreneurship, fostering mutually beneficial business partnerships between large and small enterprises and improving the quality of its human resources.

Migration is a global phenomenon with profound economic development, social cohesion, and human rights implications. In the past, most migration happened within a single country. However, now, people often move across national borders, even between continents. This change has made it easier for people to migrate from one country to another (Haryono, 2017). In Malaysia, as in many other countries, migrant workers play a crucial role in various sectors of the economy, contributing to labour force diversity, economic growth, and cultural exchange. However, migrant workers often face systemic barriers that limit their access to opportunities and perpetuate cycles of poverty and inequality.

Indonesia, with a population of 273.8 million, ranks as the fourth most populous country in the world. With such a sizable population, Indonesia possesses the potential to send its workforce overseas. According to Prihantika and Ariani (Irawan et al., 2019), Indonesians seek employment abroad, including a lack of job opportunities and the desire to attain a better economic, social, and political livelihood. Nearly 50% of Indonesian migrant workers leave the country due to poverty or lack of opportunities. When local jobs are unavailable, becoming a migrant worker is often seen as the only option. Unfortunately, others sometimes exploit this situation. Poverty meets greed, and the complicated bureaucracy also adds to the problem. Many migrant workers end up in debt to recruitment agencies before they leave, which means they might not receive their full salary or may only get a small part of it during the first few months of work (Hidayat, 2021).

The BNP2TKI provides training to registered Indonesian migrant workers, including entrepreneurship training, to enable them to prepare themselves before departure and upon their return to Indonesia. The presence of Indonesian migrant workers also plays a significant role in the economy, particularly regarding remittance inflows to the homeland and reducing unemployment rates. By fostering entrepreneurial skills, BNP2TKI helps workers leverage their experiences and resources gained abroad to create sustainable livelihoods and contribute to the local economy. According to Spitzer (Irawan et al., 2019), the government hopes that the funds sent by migrant workers can be invested in economic activities. Upon their return, they can contribute to enhancing economic growth through entrepreneurial endeavours.

Two conditions are required to maximize entrepreneurial opportunities and resources for returning migrants to succeed in building economic activities. The first condition pertains to how returning migrants can acquire knowledge during the migration process and apply it when they return (Anwar, 2013; Cassarino, 2004; Gmelch, 1980). This knowledge includes technical skills, managerial

expertise, and cultural insights gained while working abroad. Migrants are often exposed to new technologies, efficient work methods, and innovative business practices during their time in foreign countries. Adapting and applying this knowledge to their home country is crucial for building successful economic ventures. Utilizing the skills and insights acquired abroad can give migrants a competitive advantage, enabling them to start or manage more efficient and innovative businesses.

Additionally, their international experience can expand their business networks and open new market opportunities that were previously inaccessible. By applying this knowledge, migrants enhance their chances of business success and contribute to improving the local economy. Secondly, returning migrants must develop skills and make strategic adjustments for economic sustainability in their hometowns (Brettell & Alstatt, 2007). After returning, migrants face several challenges, such as differences in the market, local regulations, and economic conditions that may differ from what they experienced abroad. Therefore, developing relevant skills, such as financial management skills, is crucial.

However, one of the barriers is the lack of financial literacy and entrepreneurial skills among migrant workers, which hinders their ability to effectively manage finances, pursue income-generating opportunities, and build sustainable livelihoods. Additionally, limited access to quality education further exacerbates socioeconomic disparities, leaving migrant workers vulnerable to exploitation and marginalization. However, a lack of understanding of financial literacy awareness and entrepreneurial opportunities often hinders maximizing the financial potential of migrants. Low financial literacy makes them vulnerable to unstrategic economic decisions, such as poor debt management, lack of investment diversification, and the inability to plan for long-term financial stability. According to Jappelli (Erryandaru, 2018), financial literacy is crucial for positive financial outcomes because higher levels of financial literacy lead to more efficient savings allocations.

According to Osili (Erryandaru, 2018), not all migrants use their funds for personal savings, as they often prioritize the economic needs of their families back home. Interestingly, migrants with higher education and income levels tend to invest less due to a lack of interest in maintenance and prevention, instead sending large amounts of money back to their families in their home countries. As a result, they often struggle to achieve financial stability.

Additionally, their knowledge of entrepreneurship limits their ability to identify and exploit business opportunities in a new country. This lack of insight hinders them from starting new businesses and reduces their capacity to innovate and adapt to market dynamics that differ from what they are accustomed to. These challenges are further exacerbated by other factors, such as limited access to information and financial resources, as well as language and cultural barriers, which further narrow their growth opportunities.

Ultimately, poor financial literacy and a lack of understanding of entrepreneurship create structural barriers that prevent migrants from fully realizing their economic potential. These barriers

impact not only individuals but also the broader migrant community, which often remains trapped in low-wage jobs with limited prospects for significant advancement. Without adequate intervention and support in the form of financial education and entrepreneurial training, these gaps will persist, limiting the potential contributions of migrants to the economy and their well-being.

Knowledge about financial literacy awareness and entrepreneurial opportunities has not been well socialized, leading to many migrant workers being unable to utilize or invest their money wisely. Training is needed to enhance awareness of financial literacy and entrepreneurial opportunities. Training for migrants can be provided through activities such as the International Community Outreach organized by the Faculty of Economics, UNJ, as one of the educational institutions participating in providing training for migrant workers by conducting webinar sessions aimed at raising awareness of financial literacy and providing knowledge and inspiration for starting businesses for Indonesian migrant workers. Therefore, increasing awareness of financial literacy and entrepreneurial skills among Indonesian migrant workers can positively impact the national economy. They can serve as successful entrepreneurs and make significant economic contributions through their endeavours. With financial management skills, financial difficulties (low income) can be avoided by implementing monthly, yearly, weekly, or daily budgeting systems. Financial literacy has been incorporated into national programs in some developed countries and can have a significant impact.

Financial management skills, particularly in financial planning, are essential competencies for migrant workers employed abroad, thereby enhancing financial literacy (Buchdadi et al., 2022). Effective financial management needs to be supported by strong financial literacy. According to Margaretha and Pambudhi (Afandy & Niangsih, 2020), financial literacy also affects positive financial behaviours. Living standards are expected to improve with proper management and solid financial literacy. All income levels are necessary because no matter how high someone's income is, financial security is only possible without proper management.

Financial literacy equips migrant workers with the knowledge to make informed financial decisions. Many migrant workers come from backgrounds where financial education may be limited. When they move abroad, they face new financial systems, currencies, and banking practices that may be unfamiliar. With a solid understanding of managing money, budgeting, saving, and investing, these workers can navigate the complexities of their new financial environment. By providing financial literacy education, we aim to facilitate the government's mission to enhance the well-being of returning workers to Indonesia. Therefore, considering the issues, the implementation team offers a solution for migrant workers through financial literacy training to establish businesses for Indonesian migrant workers. This activity also contributes positively to the welfare of Indonesian migrants working abroad.

The proposed initiative seeks to directly address the Sustainable Development Goals (SDGs) of No Poverty (SDG 1) and Quality Education (SDG 4) through targeted community service efforts aimed at migrant workers in Malaysia. By providing financial literacy and entrepreneurship workshops tailored to the unique needs of migrant workers, this project aims to empower individuals to overcome

socioeconomic challenges and contribute to sustainable development. Aligned with the UNJ Community Service Strategic Plan, this community service activity focuses on education and poverty eradication activities.

METHOD AND PROCEDURES

The solution to the issues faced by Indonesian workers, particularly Indonesian Migrant Workers, will be implemented through lecture-based methods, covering topics previously discussed in the preceding section. The activity will be conducted in the following stages:

1. Situation Analysis Stage
2. In this phase, the executing team will do these things:
 - a. Training Planning
 - b. This planning stage is forming an activity schedule, conducting a survey of workers who will be given knowledge, contacting resource persons who are practitioners in business and finance, and selecting participants.
 - c. Observation and data collection of potential participants in training activities
 - d. This observation stage determines workers' criteria and records the number of participants in training activities.
 - e. Scheduling of training and duration of activities
 - f. This scheduling stage coordinates the implementation team, which is responsible for executing and training, with the speakers regarding the schedule for implementing training activities and the rundown of activities.
 - g. Preparation of training materials to be delivered in training activities
 - h. This material preparation stage is related to preparing materials delivered during the activity.
3. Implementation Stage

This international webinar was held on April 6, 2024. It was previously identified that there is a lack of financial literacy and entrepreneurial skills among migrant workers, which hinders their ability to effectively manage finances, seek income-generating opportunities, and build sustainable livelihoods. In addition, limited access to quality education further exacerbates socioeconomic disparities, making migrant workers vulnerable to exploitation and marginalization. Therefore, this webinar was created to add insight into finance or financial management, knowledge about entrepreneurship, and building personal branding to help smooth the work of migrant workers. However, in this webinar, not only migrant workers can implement the material presented, but students can also implement it.
4. Reporting Stage
5. In the reporting stage, the implementing team will compile a report on implementing community service activities after completing the webinar. The preparation of this activity report is guided by

the 2024 edition of the research and community service guidebook issued by the UNJ Institute for Research and Community Service. The activity after preparing this report is the preparation of an article or as an output of this report. Followed by making an e-poster to summarize this webinar activity and put it into one media as an e-poster. After making a final report and making an output in the form of an article, the next step is to carry out the Intellectual Property Rights (HAKI) process for the activities (webinars) that have been carried out.

RESULTS

On Saturday, April 6, 2024, at 09.00 am Jakarta time, a series of community service with national collaboration was held. One of these series is a webinar titled ‘Unlocking Success: Financial Literacy & Entrepreneurial Empowerment’. In this webinar, three resource persons filled this series of activities by providing broad insights into finance and entrepreneurship. The honourable speaker from Malaysia or, more precisely, an associate professor from Universiti Teknologi Mara, Dr Silvy Nabila Azwa Ambad (AP), provided material on Exploring Entrepreneurial Opportunities. The next speaker was Dwi Kismayati Respati, S.Pd., M.Ak., a lecturer from UNJ who presented material on Personal Financial Training. The third resource person was Nur Syifa Nadiastuti, the Outstanding Student at UNJ in 2024, who presented material related to Personal Branding.

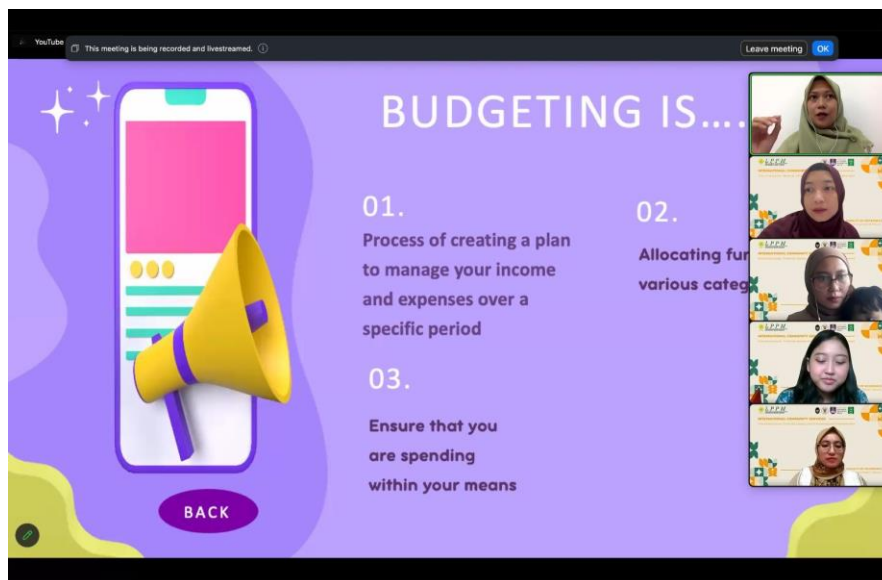


Figure 1. Personal Financial Training Material by Dwi Kismayati Respati

This webinar started at 09.00 WIB with the opening of the MC and several remarks, then continued with the first material from Dwi Kismayati Respati with Personal Financial Training material. This material explains how vital budgeting is, what the impact of budgeting is, and how to do good budgeting. Budgeting is not only done by those already married, but young people such as students must also be able to plan or prepare a personal budget for the future. How to do personal budgeting starts with planning, recording, allocating funds, tracking expenses, and evaluating.

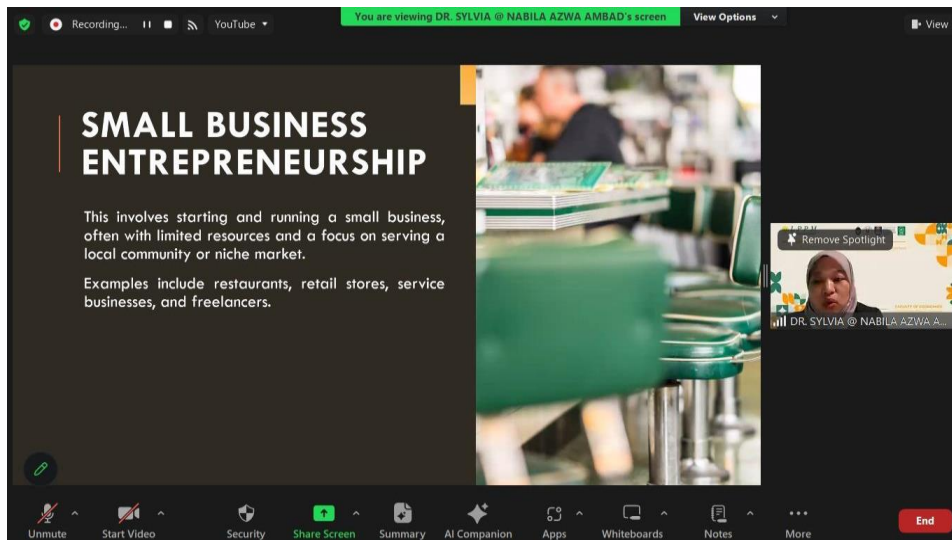


Figure 2. Exploring Entrepreneurial Opportunities Material by Dr. Silvy Nabila Azwa Ambad

After the Personal Financial Training material was presented, Dr. Silvy Nabila Azwa Ambad continued the Exploring Entrepreneurial Opportunities material. This material explains what entrepreneurship is, what the benefits of entrepreneurship are, the importance of entrepreneurship, the type of entrepreneurship, and what things need to be considered in running a business or opportunities in business. In this material, entrepreneurship does not only focus on profit or money but also entrepreneurship has a focus or interest ranging from creativity and economic growth to technology exchange.

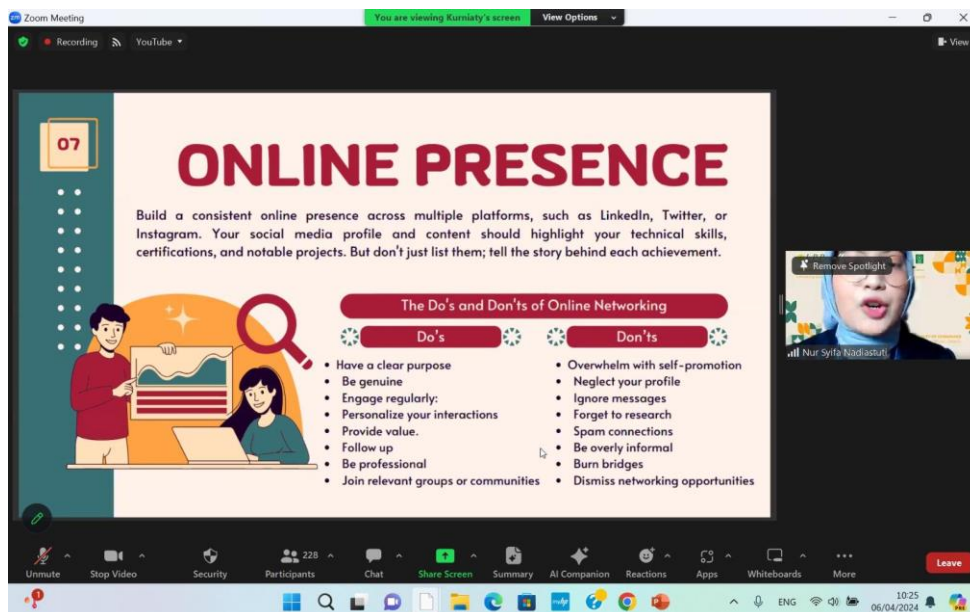


Figure 3. Personal Branding Material by Nur Syifa Nadiastuti

The last material presented in this webinar was about Personal Branding from Nur Syifa Nadiastuti. This material conveys the importance of personal branding for applying for a job, making a

good impression on oneself, and building relationships. Personal branding is sought with one method, namely SWOT. SWOT is applied to break down one's strengths and weaknesses and what can be shown to the public and improved. Furthermore, participants can minimize the existing shortcomings.

After three materials were presented, questions and answers were asked between participants and presenters. One of the questioners, Ros, a migrant worker living in Malaysia, asked about a cost-free way to promote the program as she has a free teaching class for children. Then, there was an answer from Dr. Sylvia, who suggested collaborating with an NGO (Non-Governmental Organization). Nur Syifa answered, too, about promotion through social media. Like Dr. Sylvia, a collaboration with NGOs, but the supporting documents are needed in advance. The last one is to open donations through social media in which the donation proceeds are allocated for teaching capital later. The participants were not only from the scope of Universitas Negeri Jakarta but also from Universiti Teknologi Mara Malaysia and the Labor Attaché of the Indonesian Embassy in Doha, Qatar, as well as other stakeholders. This webinar was closed by giving e-certificates and documentation to the speakers.

From the webinars that have been conducted, there is the following participant data:



Figure 4. Participants of the Webinar
 Data processed by Author (2024)

Most of the audience for this webinar were from Universitas Negeri Jakarta (70%), Universitas Jayabaya (13%), and Universiti Teknologi Mara (11%). Also, the rest of them were from Universitas HKBP Nommensen, Universitas Malaysia Sabah, Universitas IKIP Veteran Semarang, Malikussaleh University, Fatayat NU, Pertimig Malaysia, ex-migrant workers in Malaysia, Indonesian workers in Malaysia, entrepreneur, and independent. Based on the evaluation carried out regarding the implementation of activities, the following results were obtained:

Table 1. Activity Evaluation Result

No	Evaluation Items	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
		<i>(in percentage)</i>				
1	In the mentoring session, the speaker's expert in the topics	1	0	7	46	47
2	During mentoring sessions, speakers are communicative and engaging when delivering the material	1	0	8	50	42
3	The material presented is relevant to my needs and expectations during mentoring sessions.	0.8	0	9	53	37
4	During a mentoring session, speakers answer participants' questions properly.	0.8	0	8	48	44
5	The facilities during mentoring sessions, such as Zoom meetings, sound, and video, were good	0.8	0.4	12	47	40
6	Time allocation for material delivery and discussion was enough to strengthen my knowledge	0.8	0.8	11	51	36
7	My understanding of the topics has improved, and I am ready to start practising.	0.8	0	17	52	31
8	The International Community Service organizing committee has served the information needs well.	0.8	0	8	52	40
9	Overall, the implementation of the event was good	0.8	0	6	53	40

Data processed by Author (2024)

From the results of the evaluation data above, most participants agree with the statements about the webinar, and it can be concluded that this webinar has fulfilled the expectations of most participants. However, there was feedback from participants about interactions with speakers that could be longer, applying a mix of languages or using a translator because the topic used English, and the time of implementation, which was too early in the morning. The organizers will observe and consider these inputs. In addition, there were several suggestions from participants, such as webinars being better implemented offline and increasing the variety of events and interactive activities.

CONCLUSION

The 'Unlocking Success: Financial Literacy & Entrepreneurial Empowerment' webinar on April 6, 2024, showcased collaboration and knowledge sharing for personal and community growth. Speakers Dwi Kismayati Respati, Dr. Sylvia Nabila Azwa Ambad, and Nur Syifa Nadiastuti offered valuable insights on personal finance, entrepreneurship, and personal branding. The event's inclusivity was evident in the diverse participation, highlighting the relevance of the topics to all.

However, participants provided feedback suggesting that interactions with speakers could be extended, incorporating a blend of languages or utilizing translation services due to the predominance of English in the discussions and considering a later time for implementation as mornings were deemed too early. The organizers will carefully review and consider these suggestions. Furthermore, participants also offered several recommendations, including transitioning webinars to offline settings and diversifying the range of events and interactive activities.

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