

# Improving Financial Literacy and Entrepreneurial Spirit for Indonesian Migrant Workers

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**Abstract.** Community service was carried out to improve financial literacy and entrepreneurial spirit in participants, namely Indonesian migrant workers in Taiwan. The implementation of this activity was attended by 20 participants and took place at the Indonesian Trade and Economic Office in Taipei, Taiwan. The problem experienced by partners was the lack of ability to plan finances while working as Indonesian workers in Taiwan, so that when they retire there was no business or business to manage. Usually Indonesian migrant workers send income while in Taiwan to their families in Indonesia as daily living expenses and to build a house. The program methods used in this activity include partner observation, preparation, training and evaluation. During the implementation, a questionnaire was distributed in the form of a google form. The results of the activity showed that there was an increase in knowledge about financial management for Indonesian migrant workers reaching 85%, an increase in skills in making entrepreneurial plans by 80% and motivation to become entrepreneurs after returning from Taiwan by 95%.

**Keywords:** entrepreneur, financial management, Indonesian migrant worker

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## INTRODUCTION

Taiwan was the main destination for Indonesian migrant workers. Many migrant workers from Indonesia come to Taiwan because of the abundant job opportunities, high wages, and easy immigration procedures (Rahayu et al., 2023). Based on data from the Ministry of Manpower, the number of Taiwanese migrant workers who immigrated from January to July 2023 reached 39.178 people (Aniswati., 2022). The situation of migrant workers from Taiwan compared to other countries (Buchdadi et al., 2022). Based on the placement area, in the first half of 2023, the placement of migrant workers was dominated in the Asia and Africa regions, namely 126.771 workers. There were also those placed in Europe and the Middle East, namely 8.122 people. The placement of migrant workers in the Americas and the Pacific was the least, namely 898 people. If reviewed by country, Taiwan was the country with the most placements in 2023, with 39.178 migrant workers people. Still in the range of 30 thousand workers, Malaysia and Hong Kong were the second and third countries that were the destinations for migrant workers placement (Rahayu et al., 2023).

The sectors that were the responsibility of Indonesian migrant workers in Taiwan were the formal sector and the informal sector. This includes manufacturing, health care, domestic help, etc (Amila., 2017). The Indonesian government has made efforts to reduce the number of migrant workers in the informal sector, with the aim of protecting migrant workers from substandard, unprocedural, and vulnerable labor recruitment practice (Cahyadi and Baskoro., 2022). The Taiwanese government issues work permits to migrant workers and protects their rights, such as the right to fair wages, the right to rest, and the right to use the Indonesian language (Fitriyani, Ranhyono and Indriani., 2022). Although the Indonesian and Taiwanese governments have provided protection for migrant workers, working conditions in Taiwan were still very difficult, with many workers forced to work long and demanding hours, especially during the recovery period from the pandemic (Fahrurrozi., 2015). Although the working conditions for migrant workers in Taiwan were very harsh, many persist and continue to work because of the high income (Rizal et al., 2022). After the contract ends and they return to Indonesia, migrant workers will try to work in Taiwan (Akbar,

Magfuri and Apriliasari, 2021). The government limits the work contract for Indonesian migrant workers to two years and can be extended. This work contract was based on Law Number 39 of 2004 concerning the Placement of Indonesian Migrant Workers Abroad. However, this was also subject to Taiwanese government regulations (Pratama et al., 2021). The purpose of this community service was to provide financial literacy to Indonesian migrant workers so that the salary earned from working in Taiwan can be used for business. Providing entrepreneurial motivation was also used to foster the potential and entrepreneurial talent possessed by Indonesian migrant workers.

## METHODS

Community service was carried out at the Indonesian Economic and Trade Office in Taipei, Taiwan at the address: 6F, No. 550, Rui Guang Road, Neihu District, Taipei, 114, Taiwan. The service was carried out on June 18, 2024 with 20 participants. Based on figure 1 shown that framework for Community Service Implementation Stages were observation and analyzing condition of participants, participants's problem and problem solving for participants.

### Observation and Analyzing Condition of Participants

In the partner observation, the community service team conducted interviews and studied the situation that occurred with Indonesian migrant workers in Taiwan through the Indonesian Economic and Trade Office coordinator online.

## Implementation of Entrepreneurship Motivation Training Activities

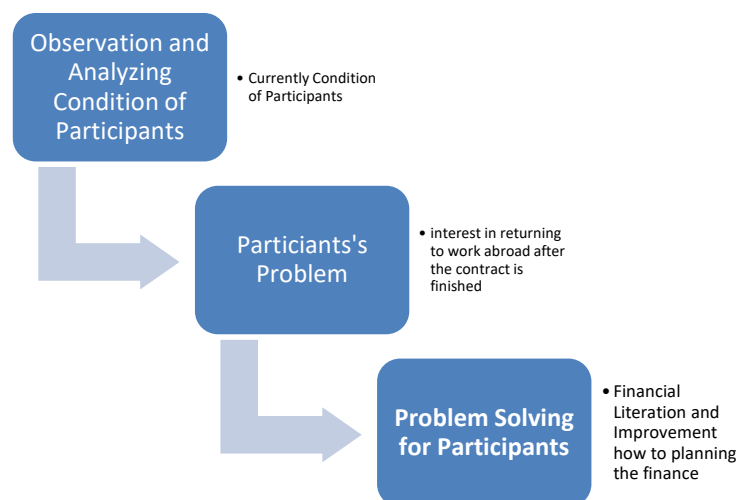
The provision of entrepreneurial motivation material by the resource person began with a simulation of the innate potential talents of the Indonesian migrant workers. Then the motivation to increase interest in entrepreneurship and efforts that can be carried out by Indonesian migrant workers in their home areas so that they do not return abroad. A pretest was also given before the implementation of the entrepreneurial motivation training by filling out a questionnaire that had been prepared by the community service team.

## Monitoring and Evaluation

Monitoring was carried out through a posttest, to determine the extent of the knowledge and increase in entrepreneurial insight of the Indonesian migrant workers, to determine the level of interest of the Indonesian migrant workers in entrepreneurship after participating in the training. Evaluation was carried out by looking at the results of the posttest to determine how useful this community service was and what things could be used as recommendations for similar community services in the future

## RESULTS AND DISCUSSION

The abilities of former migrant workers cannot all be utilized productively in their home areas (Hidayat, Ihsan and Najicha., 2021). This was because job opportunities in their home areas are few and the mindset of prospective former migrant workers who do not have a plan for what they will



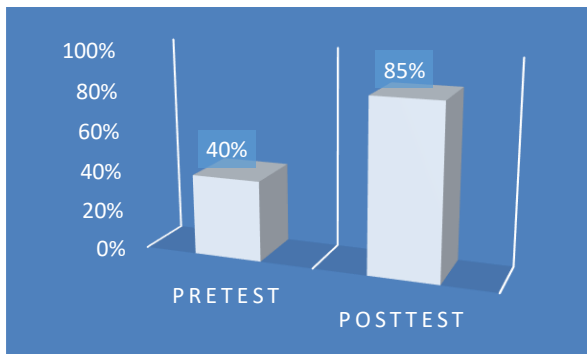
**Figure 1.** Flow diagram of the community service framework

do when they return to their home areas (Hamida, 2021). Generally, migrant workers come from poor families and low education, with an average age of 35 years but have skills due to work experience in Taiwan (Suud, Na'imah and Ismail., 2023).

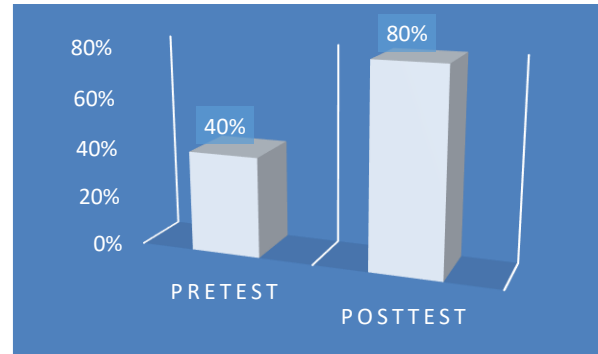


**Figure 2.** Training Activities in Indonesian Economic and Trade Office, Taiwan

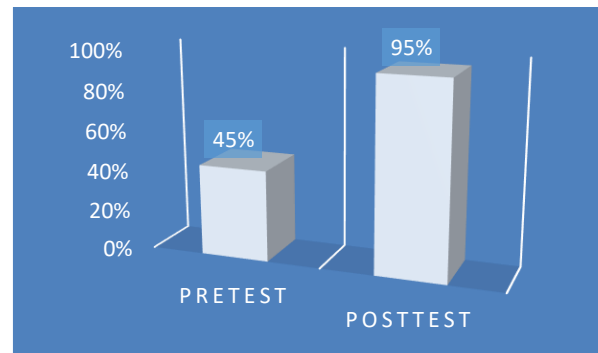
Migrant workers also have a tendency to be consumptive from the use of the results of working in Taiwan so that investment was not in business activities (Hamdi et al., 2023). Migration as migrant workers was influenced by easier migration laws in Taiwan, economic pressures and social psychology that make former migrant workers want to return to Taiwan (Rianinet al., 2024). The problem that exists was the still high interest of migrant workers who have finished their contracts to return to Taiwan so that a solution was needed for this problem. The solution to partner problems that will be carried out by the service team was in the form of entrepreneurial motivation training for Indonesian migrant workers to prepare for the end of their work contracts with the innate potential of the Indonesian migrant workers.



**Figure 3.** Improving financial literacy and management



**Figure 4.** Improvement of skills in making business plans



**Figure 5.** Increasing entrepreneurial motivation

This training provides motivation as well as opens the horizons of Indonesian migrant workers to be independent. Knowledge was provided, among others, about the development of productive economy, entrepreneurship, investment, and productive businesses that can be carried out according to the talents of the innate potential of Indonesian migrant workers. The training was also expected to develop self-potential and the environment as well as resources. Indonesian migrant workers will also be invited to make a business plan so that they understand more about controlling the business.

In Figures 3,4,5, a graph was shown showing an increase in the level of understanding of participants as measured by the team through pretest and posttest instruments. Before the program was implemented, the level of understanding of participants regarding financial literacy and management was 40% and increased after the program was implemented to 85%. The level of understanding of participants regarding business plan making skills increased from only 40% to 80% after the program was implemented. Increased entrepreneurial motivation from 45% to 95%. This shows that the program implemented by

the team can significantly increase participants' understanding of financial literacy and entrepreneurship, business plan making skills and entrepreneurial motivation.

## CONCLUSION

Financial literacy and entrepreneurship training provided by the community service team has a significant impact. Financial literacy prevents migrant workers from using the money they earn in Taiwan more carefully. So that when migrant workers return to Indonesia, they can develop businesses and the economy in various sectors. The basic concept of financial literacy was based on three dimensions of financial literacy: knowledge, skills and beliefs, but also includes dimensions of attitudes and behavior. The activities carried out by the community service team were very effective for Indonesian migrant workers in Taiwan. As a follow-up to the activities, routine monitoring was carried out on Indonesian migrant workers who participated in the training. This activity was an effort to support the government in protecting the rights of Indonesian migrant workers so that they can continue to get a decent life after returning to their homeland.

## ACKNOWLEDGMENTS

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