

Development of Innovation “tokotki.id” to Increase the Capacity of Household Financial Improvement Strategy of Indonesian Migrant Community in Malaysia

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Received : 10 October - 2024

Accepted : 11 November - 2024

Published online : 13 November - 2024

Abstract

tokotki.id is an innovation aimed at enhancing the financial improvement strategies of Indonesian migrant households in Malaysia. The platform offers various services and products specifically designed to meet the needs of the Indonesian community seeking Malaysian products through the currently popular "Jasa Titip" (proxy shopping) service in the online business world. With its innovative approach, the presence of tokotki.id plays a role in addressing the financial challenges faced by the Indonesian migrant community in Malaysia. Through tokotki.id, migrants can easily and efficiently access various Malaysian products to sell in Indonesia. Additionally, the platform provides information and advice on personal financial management and tips for optimizing their income in Malaysia. Thus, tokotki.id helps migrants enhance their financial management capabilities through an online business model. Another feature that can be utilized from tokotki.id is the online marketplace, which allows migrants to sell local Indonesian products to the community in Malaysia. This creates new business opportunities for migrants to increase their income and diversify their sources of earnings. Furthermore, tokotki.id provides a platform for migrants to share experiences and tips about life in Malaysia, fostering a solid and supportive community. Indonesian migrants in Malaysia can improve their financial stability and family lives through innovations like tokotki.id, which provides access to products and financial services while enhancing users' financial management skills. This platform offers new opportunities for the migrant community to achieve financial independence and well-being.

Keywords: Financial Empowerment, Migrant Community, Digital Innovation.

1. Introduction

The Indonesian migrant community in Malaysia forms an integral part of the socio-economic landscape, contributing significantly to both the Malaysian economy and the welfare of families back in Indonesia. These migrants, often engaged in labor-intensive sectors such as domestic work, construction, manufacturing, and agriculture, are a vital workforce (Bromley & Cernea, 1989). Their remittances are a lifeline for many families in Indonesia, providing essential financial support for education, healthcare, housing, and daily expenses (Yustika, 2006). However, despite their economic contributions, Indonesian migrants frequently encounter numerous financial challenges that hinder their ability to achieve financial stability and growth. One of the primary challenges faced by Indonesian migrants in Malaysia is the lack of access to formal financial services. Many migrants, particularly those working in informal sectors or without legal documentation, find it difficult to open bank



accounts or access financial products and services that could help them manage their money more effectively (Howkins, 2002). This limited access often forces them to rely on informal or costly methods of sending remittances back home, which can erode their earnings and leave them vulnerable to financial exploitation.

Moreover, financial literacy among Indonesian migrants is often low, leading to poor financial decision-making. Without adequate knowledge of budgeting, saving, or investing, many migrants struggle to manage their finances, often living paycheck to paycheck with little to no savings for emergencies or future investments (Khoo, 2010). The lack of financial education also means that migrants may be unaware of or unable to access financial services that could help them improve their financial situation, such as savings accounts, insurance, or credit facilities (Raustiala & Sprigman, 2006). In addition to these challenges, Indonesian migrants often face social and economic isolation, making it difficult for them to access support networks or resources that could help them improve their financial standing. Language barriers, cultural differences, and legal uncertainties further exacerbate these difficulties, leaving many migrants feeling marginalized and unsupported in their efforts to build a better life for themselves and their families (Situmorang & Situmorang, 2008). In response to these pressing challenges, the development of innovative solutions tailored to the needs of Indonesian migrants in Malaysia has become essential. One such innovation is tokotki.id, a digital platform designed to enhance the financial management capabilities of Indonesian migrants and improve their household financial strategies. Tokotki.id represents a comprehensive approach to financial empowerment, combining technology with education, community engagement, and access to economic opportunities.

At its core, tokotki.id aims to address the financial challenges faced by Indonesian migrants by providing them with the tools and resources they need to manage their money more effectively. The platform offers a range of services, including low-cost remittance transfers, financial planning tools, and educational resources designed to improve financial literacy. By making these services accessible through a user-friendly digital platform, tokotki.id seeks to empower migrants to take control of their finances, make informed decisions, and build a more secure financial future. One of the most significant features of tokotki.id is its remittance service, which allows migrants to send money back home at a lower cost than traditional remittance channels. This service is particularly important for migrants who need to send regular remittances to support their families in Indonesia. By reducing the cost of remittances, tokotki.id helps migrants maximize the value of their earnings, ensuring that more money reaches their families and contributes to their financial well-being. In addition to remittance services, tokotki.id offers a variety of financial planning tools designed to help migrants manage their money more effectively. These tools include budgeting calculators, savings planners, and investment guides that are tailored to the unique needs and circumstances of Indonesian migrants. By providing these resources, tokotki.id aims to improve financial literacy among migrants, helping them to make informed decisions about their money and plan for the future.

Another key feature of tokotki.id is its focus on entrepreneurship and economic empowerment. The platform provides resources and support for migrants who are interested in starting their own businesses, either in Malaysia or back in Indonesia. This includes access to market information, business planning resources, and connections to potential partners or customers. By encouraging entrepreneurship, tokotki.id helps migrants diversify their income sources, reducing their dependence on a single job and enhancing their overall economic security. Tokotki.id also recognizes the importance of community engagement and support in helping migrants achieve financial empowerment. The platform includes features that allow

users to connect with each other, share experiences, and offer advice which are important for users (Yoshimoto, 2003). This sense of community is crucial in fostering a supportive environment where migrants can learn from each other and work together to improve their financial situation.

The development of tokotki.id is a response to the specific needs and challenges faced by the Indonesian migrant community in Malaysia. By addressing these challenges through a combination of technology, education, and community support, tokotki.id represents a significant step forward in empowering migrants to improve their financial well-being. The platform's innovative approach not only helps migrants manage their finances more effectively but also opens up new opportunities for economic growth and stability. As tokotki.id continues to evolve, its potential impact on the financial empowerment of Indonesian migrants in Malaysia becomes increasingly evident. The platform's comprehensive approach to financial management, combined with its focus on community engagement and entrepreneurship, makes it a powerful tool for improving the lives of migrants and their families. By providing migrants with the tools and resources they need to build a more secure financial future, tokotki.id is helping to create a brighter and more prosperous future for the Indonesian migrant community in Malaysia.

The importance of tokotki.id extends beyond individual financial empowerment. By improving the financial stability of Indonesian migrants, the platform also contributes to the broader economic development of both Malaysia and Indonesia. Migrants who are able to manage their money more effectively and build successful businesses can contribute more to the economies of both countries, creating a positive cycle of economic growth and development (Wong & Gao, 2008). Furthermore, the success of tokotki.id could serve as a model for other migrant communities facing similar challenges around the world. By demonstrating the power of digital platforms to enhance financial literacy, reduce remittance costs, and promote entrepreneurship, tokotki.id has the potential to inspire similar innovations in other contexts, helping to improve the lives of migrants globally. In conclusion, the development of tokotki.id represents a significant innovation in the financial empowerment of Indonesian migrants in Malaysia. By addressing the specific challenges faced by this community and providing them with the tools and resources they need to improve their financial well-being, tokotki.id is helping to create a more secure and prosperous future for Indonesian migrants and their families. As the platform continues to grow and evolve, its impact on the financial empowerment of Indonesian migrants in Malaysia is likely to increase, making it a crucial tool for improving the lives of one of the most vulnerable and important communities in the region.

2. Methods

The method of implementing community service activities on the development of the "tokotki.id" innovation to enhance the financial improvement strategies of Indonesian migrant households in Malaysia can be carried out through the following steps:

1. Outreach and Workshops: Conduct direct outreach sessions and workshops with the migrant community on the benefits and usage of the "tokotki.id" platform to improve financial strategies. These workshops can cover topics such as personal financial management, investments, and insurance protection.
2. Online Training: Regularly conduct online training sessions via the "tokotki.id" platform or other social media platforms. These training sessions can include interactive learning modules on financial literacy and the use of financial services available on the platform.

3. Exhibitions and Presentations: Organize exhibitions and presentations about the "tokotki.id" innovation at migrant community events or events related to education and welfare. These can serve as opportunities to introduce the platform to more people and answer their questions directly.
4. Partnerships with Local Organizations: Partner with local organizations active in assisting migrant communities, such as social institutions, migrant service centers, or volunteer groups. Together, they can organize educational and training events on financial management and the use of the "tokotki.id" innovation.
5. Individual Consultation: Provide individual consultation services to migrant community members who need further assistance in using the "tokotki.id" platform or planning their financial strategies. This can be done directly or through online communication channels such as email or live chat.

Through these methods, the community service activities will provide tangible benefits to the Indonesian migrant community in Malaysia by enhancing their understanding of financial management and empowering them to use the "tokotki.id" innovation effectively to improve their financial well-being. The evaluation of the implementation of community service activities on the development of the "tokotki.id" innovation aims to assess the effectiveness, impact, and success of these efforts in enhancing the financial improvement strategies of Indonesian migrant households in Malaysia. This evaluation can be carried out through several steps, including:

1. Participation Analysis: Evaluate the level of participation and involvement of the migrant community members in outreach activities, workshops, online training, exhibitions, and individual consultations. This can indicate their level of interest and readiness in adopting the "tokotki.id" innovation.
2. Knowledge and Skill Assessment: Conduct assessments on the improvement of knowledge and skills of migrant community members in financial management after participating in training or education activities. This can be done through pre-and post-training questionnaires or by observing their progress during these sessions.
3. Platform Usage Evaluation: Analyze the number and frequency of "tokotki.id" platform usage by migrant community members after they participate in community service activities. This can include the number of users who register, login frequency, and activities performed on the platform.
4. User Feedback: Collect feedback and testimonials from migrant community members about their experiences using "tokotki.id" and the benefits they have felt. This can provide valuable insights into the success and areas for further improvement or enhancement.
5. Goal Achievement Monitoring: Assess the extent to which the community service activities have achieved the previously set goals, such as improving financial literacy, increasing access to financial services, or improving the financial well-being of the migrant community.
6. Long-Term Impact Evaluation: Evaluate the long-term impact of using the "tokotki.id" innovation in enhancing the financial improvement strategies of migrant households. This may include analyzing changes in financial management behavior, income increases, or overall well-being improvements.

By conducting a thorough evaluation of the community service activities, it will be possible to gain better insights into the effectiveness of the "tokotki.id" innovation in enhancing the financial improvement strategies of Indonesian migrant households in Malaysia and provide a foundation for further development and improvement in the future.

3. Results and Discussion

The Indonesian migrant community in Malaysia plays a crucial role in the socio-economic dynamics of both Malaysia and Indonesia. These migrants, who often engage in various sectors such as construction, domestic work, and plantation labor, contribute significantly to Malaysia's economy while also supporting their families back home through remittances. Despite their vital role, many Indonesian migrants face persistent challenges in managing their finances effectively. The traditional methods of financial management and remittance transfer can be cumbersome, expensive, and inefficient, often leading to financial instability in their households. In response to these challenges, "tokotki.id" has emerged as an innovative digital platform designed to enhance the financial capacity of the Indonesian migrant community in Malaysia. This platform not only facilitates efficient financial transactions but also provides resources for better financial planning, entrepreneurial ventures, and community building. This discussion delves into the development of "tokotki.id" and its role in empowering Indonesian migrants to improve their household financial strategies.

Indonesian migrants in Malaysia often send a significant portion of their earnings back home to support their families. However, the traditional methods of remittance, such as through informal channels or high-fee services, can be costly and risky. The lack of access to formal financial institutions and banking services exacerbates this issue, making it difficult for migrants to save money, invest in their future, or even manage their day-to-day expenses effectively. Additionally, many migrants lack the financial literacy necessary to make informed decisions about their money. Without proper financial education, they may struggle with budgeting, saving, and planning for long-term goals such as purchasing a home or funding their children's education. These challenges can lead to a cycle of financial instability, where migrants are unable to break free from the constraints of low wages and high living costs.

"tokotki.id" was developed as a response to the pressing need for a more effective and accessible financial management solution for Indonesian migrants in Malaysia. This platform leverages digital technology to provide a wide range of services aimed at improving the financial well-being of its users. The development of "tokotki.id" was driven by a deep understanding of the unique challenges faced by the migrant community and a commitment to providing tools that address these specific needs. The platform's core features include low-cost remittance services, financial planning tools, and resources for entrepreneurship. By integrating these services into a single platform, "tokotki.id" offers a comprehensive solution that not only addresses the immediate needs of migrants but also empowers them to plan for a more secure financial future. One of the primary features of "tokotki.id" is its remittance service, which is designed to be both cost-effective and user-friendly. Unlike traditional remittance services that charge high fees and involve complex procedures, "tokotki.id" allows users to transfer money quickly and securely at a fraction of the cost. This service is particularly beneficial for migrants who need to send money home regularly to support their families.

The platform's digital nature also means that users can send remittances from the convenience of their mobile phones, without having to visit physical locations or navigate through complicated processes. This ease of use not only saves time but also ensures that more of the migrant's hard-earned money reaches their families, thereby improving the household's financial situation. Beyond remittance services, "tokotki.id" offers a suite of financial planning tools that are designed to help migrants manage their money more effectively. These tools include budgeting calculators, savings planners, and investment guides that are tailored to the specific needs and circumstances of the migrant community. One of the key challenges for

many migrants is the lack of financial literacy, which can lead to poor decision-making and financial instability. "tokotki.id" addresses this issue by providing educational resources that help users understand the basics of financial management, such as how to create a budget, the importance of saving, and how to plan for long-term goals. By improving their financial literacy, migrants are better equipped to make informed decisions that can enhance their financial stability and future prospects.

In addition to financial management tools, "tokotki.id" also supports entrepreneurial initiatives among Indonesian migrants. The platform provides resources and guidance for those who are interested in starting their own businesses, either in Malaysia or back in Indonesia. This includes access to market information, business planning templates, and connections to potential partners or customers. Entrepreneurship is a powerful tool for economic empowerment, as it allows migrants to diversify their income sources and reduce their reliance on a single job (Zhang et al., 2011). By encouraging and supporting entrepreneurial ventures, "tokotki.id" helps migrants to build more resilient and sustainable livelihoods. This, in turn, has a positive impact on their household finances, as they can generate additional income and create new opportunities for economic growth.

"tokotki.id" is not just a financial tool; it is also a platform for community building. Recognizing the importance of social support in the migrant experience, the platform includes features that allow users to connect with each other, share experiences, and offer advice. This sense of community is crucial in fostering a supportive environment where migrants can learn from one another and collectively work towards improving their financial well-being. The platform's community features also serve as a space for users to discuss challenges and share solutions related to financial management, entrepreneurship, and other aspects of their lives as migrants. By building a strong and supportive community, "tokotki.id" helps to alleviate the isolation that many migrants experience and provides them with a network of peers who understand their unique challenges.

The impact of "tokotki.id" can be seen in the success stories of its users. For example, consider the case of Siti, an Indonesian migrant working as a domestic helper in Kuala Lumpur. Before using "tokotki.id", Siti struggled to send money home regularly due to high remittance fees and complicated transfer processes. Additionally, she had little knowledge of how to save money or plan for her future. After joining "tokotki.id", Siti was able to send money home more easily and at a lower cost, allowing her family to have more financial stability. She also used the platform's financial planning tools to create a budget and start saving for her long-term goal of opening a small business in her hometown. With the guidance provided by "tokotki.id", Siti is now on her way to achieving her dream of becoming a business owner, which will further enhance her family's financial security. Another success story is that of Andi, a construction worker in Johor Bahru who used "tokotki.id" to start a small online business selling Indonesian snacks to fellow migrants. With the platform's support, Andi was able to grow his business and generate additional income, which he used to improve his family's living conditions back home. Through his entrepreneurial efforts, Andi has not only improved his own financial situation but also contributed to the economic empowerment of his community.

4. Conclusion

The development of "tokotki.id" represents a significant innovation in the financial management and economic empowerment of Indonesian migrants in Malaysia. By addressing the specific challenges faced by this community, the platform has created a comprehensive solution that enhances financial literacy, facilitates efficient remittances, encourages entrepreneurship, and builds a supportive community. As "tokotki.id" continues to evolve and expand its services, it has the potential to make a lasting impact on the financial well-being of Indonesian migrant families. By empowering migrants to take control of their finances and explore new economic opportunities, "tokotki.id" is helping to build a more secure and prosperous future for this vital community.

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