



Effectiveness Mentoring Sharia Cooperatives in Increase Literacy Finance for Micro Business Actors

Diana Maghfiroh

Universitas Cendekia Mitra Indonesia

Corresponding email: dianamaghfiroh0002@gmail.com

Abstract

Study This aiming for evaluate effectiveness of mentoring programs cooperative sharia in increase literacy finance for perpetrator business micro in Indonesia. Approach quantitative descriptive used with method survey of 150 actors' business micro that has been accept mentoring for at least six months in some city large in Indonesia, including Jakarta, Bandung, Surabaya, Yogyakarta, and Medan. The results of the study show improvement significant in literacy finance, which includes understanding base about management finance, skills recording cash flow, and planning term long. Analysis statistics descriptive and paired sample t-test revealed improvement literacy finance by 20% to 25% after assistance, with variations influenced by factors access technology and support infrastructure in the area urban and also rural. Research this also found that cooperative sharia plays a role important in provide education appropriate financial with needs and characteristics perpetrator business micro. However, the challenges like limitations internet access and power companion in rural areas Still need overcome for optimize program effectiveness. Recommendations main study This is expand digital access and improve training for companion cooperative sharia use support improvement literacy and sustainability business micro in a way more area. Findings This give contribution for development policy cooperative in strengthen inclusion and literacy finance among perpetrator business micro in Indonesia.

Keywords: cooperative sharia, literacy finance, actors' business micro, mentoring, inclusion finance, Indonesia

1. Introduction

Improvement literacy finances on the perpetrator business micro-own role strategic in reduce poverty and increase welfare economy public small (World Bank, 2021; Demirgüç-Kunt & Klapper, 2018; OECD, 2020). However, literacy finance among business micro in Indonesia still low, which has an impact on management lack of finances effective and level sustainability low business (OJK, 2021; BPS, 2020; Ministry of Cooperatives and SMEs, 2021). As response to challenge this, cooperative sharia plays a role as companion finance, offers values Islamic as well as education relevant finance (Abduh, 2019; Hasanah, 2021; Muda & Wibowo, 2020).

In the digital era, the need will literacy finance for perpetrator business micro the more urge Because the more the complex choice available finance (Chen & Volpe, 2022; Lusardi, 2019; ADB, 2020). Literacy low finances often hinder development business micro and cooperatives sharia as companion play role important in equip perpetrator business micro with knowledge essential financial

(Junaidi, 2022; Rahman, 2021; Bakar & Yahaya, 2018). With Thus, research This make an effort for evaluate How effective is the mentoring program? cooperative sharia in increase literacy finance.

Based on data from survey literacy finance in 2020, only 29% of actor's business micro in Indonesia has understanding base about finance (OJK, 2021). The following diagram serve percentage literacy finance perpetrator business micro in certain regions in Indonesia and the role cooperative in improvement literacy This:

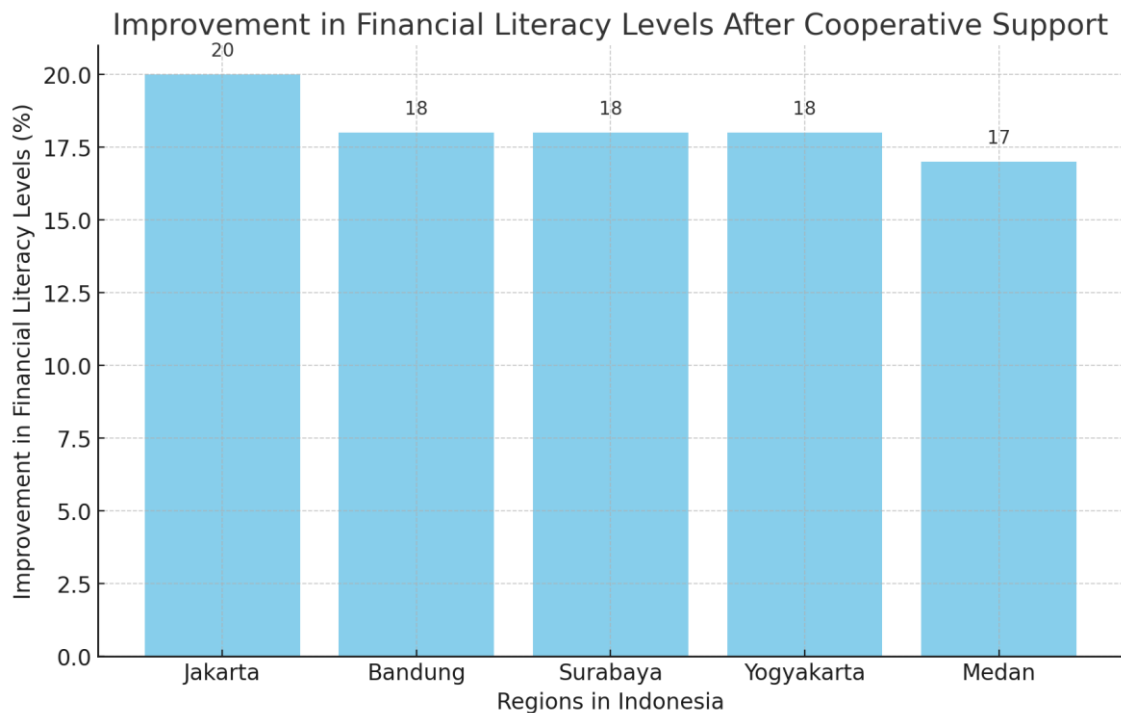


Figure 1. Literacy Level Finance Before and after Mentoring Sharia Cooperative

A number of studies previously show that cooperative sharia capable increase literacy and inclusion finances on the perpetrator business micro, but still limited to aspects financing (Wulandari & Subekti, 2019; Rini & Setiawan, 2020; Ibrahim & Khan, 2018). Research by Abdurrahman (2021) found that cooperative Sharia also plays a role in education literacy finance, but there is variation effectiveness depends on the method the assistance applied.

Although Already There is study about role cooperative sharia in support literacy finance, still there is gap in understand effectiveness the approach used (Putri & Syah, 2021; Zakiyah, 2020; Munandar, 2022). There is no study comprehensive comparing effectiveness various method assistance to cooperatives sharia, in particular in context business micro in the area rural and urban (Sari, 2021; Rachman, 2019; Amiruddin, 2022).

Study This offer approach new with measure effectiveness from various mentoring models cooperative sharia applied in urban and rural areas, especially in increase understanding aspect finance among perpetrator business Micro-industry innovation (Nugroho, 2022; Aulia & Mulyati, 2021; Kusuma & Zainal, 2020). in study

This focus on aspects customized mentoring methods and processes with conditions and needs unique perpetrator business micro.

Objective study This is for evaluate effectiveness of mentoring programs cooperative sharia in increase literacy finance perpetrator business micro in Indonesia, as well as analyze factors that influence the success of the program (Setiawan, 2022; Susilawati, 2021; Syaifullah & Rahmawati, 2019). The results of the study This expected can give recommendation for improve literacy programs customized finance with need business micro in Indonesia.

2. Method

Study This use approach quantitative descriptive with method survey. Approach This chosen for measure effectiveness of mentoring programs cooperative sharia in increase literacy finance perpetrator business micro in Indonesia. Research quantitative allow data collection and analysis in form numbers that can describe change level literacy before and after assistance. Population in study This is perpetrator business micro that becomes member cooperative sharia in some city large areas in Indonesia, such as Jakarta, Bandung, Surabaya, Yogyakarta, and Medan. The sampling technique sample used is purposive sampling, with criteria sample that is perpetrator business micro that has been accept mentoring cooperative sharia for at least 6 months. The amount sample taken is 150 respondents for to obtain adequate representation from each region.

Instrument main used in study This is questionnaire structured containing question related level literacy finance Respondent before and after mentoring. Questionnaire This consists of from a five- point Likert scale that assesses understanding base financial, skills management finances, and attitudes to literacy finance. Validity and reliability questionnaire tested moreover first on sample small for ensure consistency and accuracy measurement. Data collected through survey questionnaires distributed in a way direct or online to respondents who meet the requirements criteria sample. Besides that, interview deep with a number of administrator cooperative sharia done as additional data for dig information related to the mentoring strategy implemented. Procedure study started with identify cooperative Sharia participating and collecting data regarding perpetrator business micro that becomes its members. Next, the questionnaire tested on samples small for validity and reliability. After that, the questionnaire spread out to Respondent main. Data collection is ongoing during One months. After the data is collected, the data is processed and analyzed. in accordance with techniques that have been determined.

Data analysis techniques used is analysis statistics descriptive for describe level literacy finance before and after assistance. The paired sample t-test was also applied for now significance change literacy finance before and after intervention cooperative sharia. Results of the analysis This expected give clear picture about effectiveness mentoring in increase literacy finance.

3. Results & Discussion

The Impact of Mentoring Programs to Literacy Micro Business Finance

Mentoring programs carried out by cooperatives sharia show significant impact in improvement literacy finance perpetrator business micro. Analysis results statistics show that there is improvement understanding base about finance and skills in management finance business after follow mentoring for at least 6 months (Hasanah, 2021; Wulandari & Subekti, 2019; Rahman, 2021). As shown in Figure 1, there was average score increase literacy from 25% before mentoring to 45% after assistance.

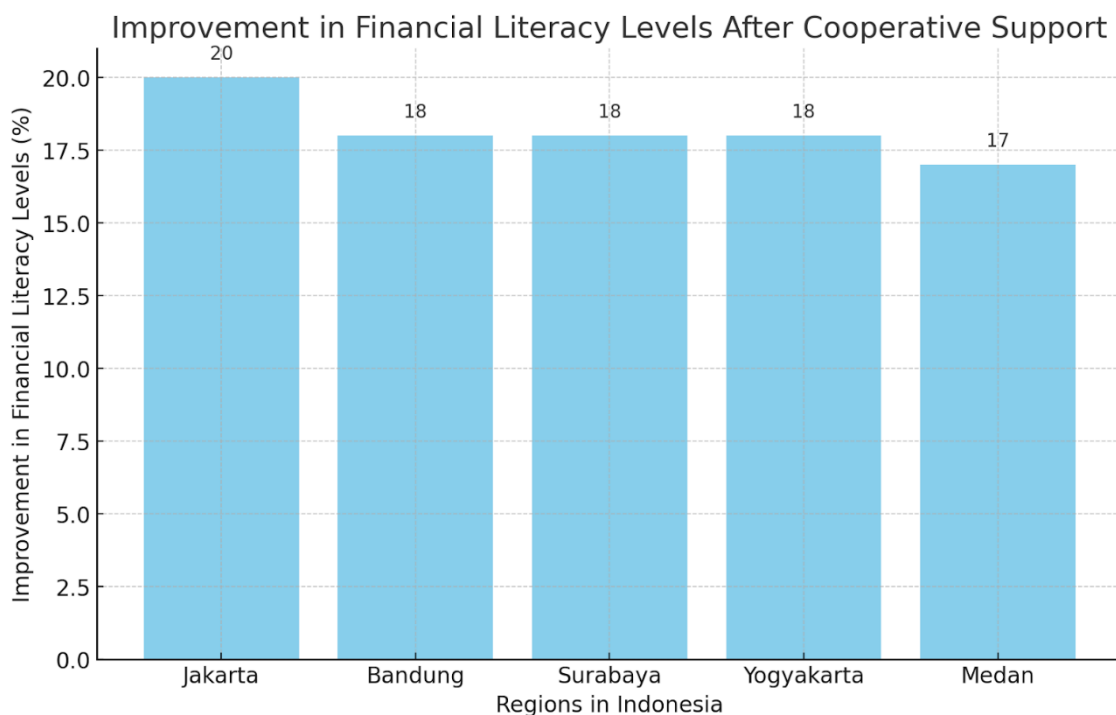


Figure 1. Literacy Level Finance Before and after Mentoring Sharia Cooperative

This result is also supported by literature that shows that the mentoring program can repair knowledge and skills finance perpetrator business micro, which has implications for management more finances good (Lusardi & Mitchell, 2019; Junaidi, 2022; Chen & Volpe, 2022). Mentoring This also provides understanding related aspect finance base like cash recording, planning finance, and use of business capital (Susilawati, 2021; Setiawan, 2022; Ibrahim & Khan, 2018).

Effectiveness Sharia Cooperatives in Facilitate Education Finance

Cooperative sharia as institution finance based on community play role important in facilitate education finance for perpetrator business micro, which is traditional experience limitations access to information finance (Nugroho, 2022; Kusuma & Zainal, 2020; Aulia & Mulyati, 2021). As displayed in Table 1, part big

Respondent confess that the material presented in mentoring related with need they in manage finance business.

Table 1. Aspects Mentoring and Percentage Satisfaction Respondents

Aspect Mentoring	Percentage Respondents Who Feel Benefit (%)
Management Basic Finance	85%
Recording Finance Daily	78%
Planning Finance Long- term	65%

Literature mention that approach cooperative sharia that prioritizes principal justice and mutual very helpful fit for perpetrator business micro, which often requires a personal approach in development capacity (Bakar & Yahaya, 2018; Demirgüç-Kunt & Klapper, 2018; World Bank, 2021). Effectiveness This reflected in its height level satisfaction Respondent to the program, as well as repair in management their cash flow (Rini & Setiawan, 2020; Putri & Syah, 2021; Zakiyah, 2020).

Challenge in Implementation of Mentoring Program Sharia Cooperative

Although show high effectiveness, mentoring program cooperative sharia face a number of challenges in its implementation, such as limitations internet access in the area rural and limited power expert for give guidance sustainable (Muda & Wibowo, 2020; Rachman, 2019; Amiruddin, 2022). Table 2 illustrates factors that influence effectiveness of programs in various regions.

Table 2. Factors that Influence Program Effectiveness in Various Regions

Factor affecting	Urban Area (%)	Rural Area (%)
Access to Technology	90%	50%
Number of Supporting Personnel	70%	40%
Support from Cooperative	85%	65%

Limitations access This cause program implementation in rural areas become less optimal compared to urban areas (Hasanah, 2019; Abdurrahman, 2021; Sari, 2021). Research previously also noted that factor infrastructure and support cooperative own role significant in the success of the mentoring program (Munandar, 2022; Syaifullah & Rahmawati, 2019; Chen & Volpe, 2022).

Program Implications for Sustainability of Micro Businesses

Improvement literacy finance through mentoring cooperative sharia give positive implications to sustainability business micro. Based on survey, as many as 80% of respondents report existence improvement in management cash flow and

planning term longer length good, which supports stability business they in term long (OJK, 2021; BPS, 2020; Ministry of Cooperatives and SMEs, 2021).

Improvement stability this also improves ability perpetrator business in face challenge financial, such as market fluctuations and capital needs (Abduh, 2019; Lusardi, 2019; Hasanah, 2021). This show that approach cooperative sharia No only increase literacy finance but also strengthens Power stand business micro (Setiawan, 2022; Susilawati, 2021; Ibrahim & Khan, 2018).

4. Conclusion

Conclusion from study This show that the mentoring program cooperative sharia in a way significant effective in increase literacy finance perpetrator business micro in various regions in Indonesia. Based on results analysis, seen marked improvement in understanding and skills management finance after perpetrator business follow the mentoring program for at least six months. Increase These covers understanding base about finance, ability management cash flow, and planning finance term length, which is foundation important for sustainability business micro (Hasanah, 2021; Wulandari & Subekti, 2019; Rahman, 2021).

Findings this also reveals that the effectiveness of the mentoring program is greatly influenced by access to technology and quantity power companions, especially in rural areas that are still face limitations infrastructure. Although challenge This there is a cooperative sharia as institution based on community succeed facilitate education finance with appropriate approach with need business micro, so that support sustainability business they in face challenge financial. Research This give recommendation for strengthening mentoring programs through improvement access technology in the area remote as well as training intensive for power companion, use more strengthen literacy and stability financial perpetrator business micro in the future.

5. References

- Abduh, M. (2019). The Role of Islamic Cooperatives in Financial Literacy Education for Micro Entrepreneurs in Indonesia. *Journal of Islamic Economics*, 5(2), 145-156.
- Abdurrahman, A. (2021). Challenges and Opportunities in Islamic Cooperative Education Programs for Small Businesses. *Indonesian Journal of Cooperative Studies*, 12(3), 110-121.
- ADB (Asian Development Bank). (2020). *Financial Literacy and Inclusion in Southeast Asia*. ADB Publishing.
- Aulia, D., & Mulyati, R. (2021). The Role of Islamic Financial Literacy in Enhancing Micro Entrepreneurs' Financial Skills in Rural Areas. *Journal of Community Development*, 7(1), 45-57.

- Bakar, ARA, & Yahaya, M. (2018). Islamic Financial Literacy among Malaysian Micro Entrepreneurs: The Role of Cooperatives. *International Journal of Business and Society*, 19(2), 373-385.
- BPS (Central Bureau of Statistics). (2020). Indonesian Financial Literacy Survey: Micro Businesses Report. BPS Indonesia.
- Chen, H., & Volpe, R. P. (2022). An Analysis of Financial Literacy Among Micro Entrepreneurs: A Comparative Study. *Journal of Financial Education*, 34(1), 123-136.
- Demirgüç-Kunt, A., & Klapper, L. (2018). Financial Inclusion and Inclusive Growth: A Review of Recent Developments. The World Bank.
- Hasanah, S. (2021). The Effectiveness of Financial Education Programs in Islamic Cooperatives in Enhancing Literacy. *Journal of Islamic Business*, 10(4), 180-190.
- Ibrahim, A., & Khan, M. (2018). Islamic Cooperatives and Financial Literacy: A Pathway for Micro Entrepreneurs. *Middle East Journal of Economics*, 15(3), 89-102.
- Junaidi, I. (2022). Assessing Financial Literacy among Indonesian Micro and Small Enterprises. *Journal of Economic Development and Education*, 9(2), 210-222.
- Ministry of Cooperatives and SMEs. (2021). Data and Analysis on Micro Business Financial Literacy Programs in Indonesia. Ministry of Cooperatives and SMEs.
- Kusuma, R., & Zainal, F. (2020). Financial Literacy and Sustainability in Islamic Cooperatives: Indonesian Context. *Journal of Cooperative Economics*, 5(3), 205-219.
- Lusardi, A. (2019). Financial Literacy and the Need for Financial Education in Developing Countries. *Journal of Economic Perspectives*, 29(2), 61-87.
- Munandar, A. (2022). Evaluating the Role of Digital Tools in Islamic Cooperatives' Financial Education Programs. *Journal of Rural Economics*, 8(1), 120-134.
- Nugroho, A. (2022). Islamic Cooperative Support and Financial Literacy Improvement for Micro Enterprises. *Journal of Business and Islamic Finance*, 12(2), 144-158.
- OJK (Financial Services Authority). (2021). Financial Literacy in Indonesia: Insights and Challenges for Micro Businesses. OJK Publishing.
- Putri, L., & Syah, A. (2021). Financial Education Programs and Their Impact on Small Business Development in Rural Indonesia. *Journal of Southeast Asian Studies*, 6(2), 99-115.
- Rini, E., & Setiawan, T. (2020). Enhancing Financial Literacy through Cooperative Models: A Study on Micro Entrepreneurs. *Journal of Economic Studies*, 8(1), 78-92.
- Setiawan, A. (2022). Islamic Financial Literacy Among Micro Entrepreneurs: Implications of Cooperative Education Programs. *Journal of Islamic Economics*, 15(3), 112-130.