


The Permai Community in Penang, Malaysia Through Digital Literacy to Prevent Illegal Online Loans

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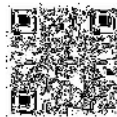
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ABSTRACT

Penyalahgunaan pinjaman online ilegal (pinjol) di kalangan diaspora Indonesia di Malaysia menjadi isu yang mendesak untuk ditangani melalui peningkatan literasi digital dan keuangan. Universitas Mercu Buana bekerja sama dengan Komunitas PERMAI di Penang menyelenggarakan program pengabdian masyarakat dengan pendekatan *Participatory Action Research* (PAR). Kegiatan meliputi asesmen kebutuhan, pelatihan interaktif, simulasi kasus nyata, diskusi kelompok, dan kampanye kesadaran digital. Materi edukasi difokuskan pada cara mengenali pinjol ilegal, melindungi data pribadi, membuat keputusan keuangan yang bijak, serta menggunakan media sosial sebagai alat advokasi keuangan. Evaluasi menunjukkan peningkatan pemahaman, kewaspadaan terhadap risiko digital, serta perubahan perilaku keuangan peserta menjadi lebih hati-hati. Program ini tidak hanya memberikan dampak langsung kepada masyarakat, tetapi juga mendukung pencapaian Indikator Kinerja Utama (IKU) perguruan tinggi. Selain itu, program ini memperkuat posisi PERMAI sebagai pusat literasi digital yang aktif dan mandiri di kalangan diaspora Indonesia di Malaysia.

The misuse of illegal online loans (known as pinjol) among Indonesian diaspora communities in Malaysia highlights the urgent need to improve digital and financial literacy. This community service program, conducted by Universitas Mercu Buana in collaboration with PERMAI in Penang, aimed to strengthen community resilience through participatory, community-based education. Employing a Participatory Action Research (PAR) approach, the program involved a needs assessment, interactive training sessions, real-case simulations, group discussions, and digital awareness campaigns. Educational materials focused on identifying illegal lending practices, protecting personal digital data, making informed financial decisions, and using social media for financial advocacy. Evaluation results indicated increased knowledge, greater awareness of digital risks, and more cautious financial behavior among participants. Quantitative data showed high levels of satisfaction, while qualitative feedback confirmed behavioral change and active community engagement. Additionally, the program contributed to achieving institutional Key Performance Indicators (KPIs) and enhanced PERMAI's role as a digital literacy hub for the Indonesian diaspora in Malaysia.



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INTRODUCTION

Over the past decade, the rapid development of financial technology (fintech) in Indonesia has brought about both opportunities and serious challenges in the governance of personal finance. On one hand, digital lending platforms have facilitated greater financial inclusion by providing easier access to credit. On the other hand, the proliferation of unlicensed online lenders (pinjaman online ilegal or

"pinjol") has given rise to a range of adverse social, economic, and psychological impacts, particularly among vulnerable populations (Gomulya, 2023; OJK, 2024).

The Indonesian diaspora, especially those employed in informal sectors in countries such as Malaysia, represents a high-risk group. Their vulnerability is rooted in limited access to legal and financial information, low levels of digital and financial literacy, and marginalized socio-economic conditions (OECD, 2019; World Bank & AFI, 2024). According to a 2024 report by the Financial Services Authority of Indonesia (OJK), individuals with lower educational attainment and income are significantly more likely to fall prey to illegal lending schemes due to a lack of foundational knowledge in digital safety and personal financial management.

The Indonesian Community Association in Malaysia (PERMAI) is an organization that supports Indonesian citizens residing in Malaysia, the majority of whom work in the informal sector or run small-scale businesses (permai.my.id, 2023). Despite demonstrating strong entrepreneurial potential, this community faces substantial challenges in managing both personal and business finances. A particularly pressing issue is the widespread use of illegal online loans, which often entrap users with exorbitant interest rates, opaque terms, and unethical debt collection practices.

This issue has gained international relevance within the broader context of global migration and the protection of migrant workers. A 2023 report by the International Labour Organization (ILO) points out the importance of digital protection mechanisms for migrant workers, who are increasingly vulnerable to online exploitation and financial fraud. Within this landscape, community-based educational interventions have demonstrated considerable promise. Participatory and experiential learning approaches have proven effective in fostering collective awareness and enhancing community resilience to digital threats (Khairil Umuri et al., 2024; Gomulya, 2023).

Despite the growing urgency of the issue, there remains a notable intervention gap: few educational initiatives are tailored specifically to the needs of Indonesian diaspora communities, particularly regarding protection from illegal digital financial practices. Furthermore, there is an approach gap: existing programs often adopt top-down, one-way communication strategies, whereas recent evidence highlights the effectiveness of participatory, community-driven learning models (Saragih, 2023; Maky et al., 2023a).

These dual gaps—in intervention and approach—underscore the relevance of the present community engagement initiative. In collaboration with PERMAI in Penang, Universitas Mercu Buana developed a participatory, community-based digital and financial literacy program aimed at equipping Indonesian diaspora members with the skills to recognize, avoid, and respond to illegal online lending schemes. The initiative not only addresses real and immediate community needs but also contributes to the university's Key Performance Indicators (KPIs) and strengthens PERMAI's role as a strategic hub for digital literacy within the diaspora ecosystem.

METHOD

This community services program employed a participatory action research design grounded in the principles of community-based education (Saragih, 2023). Community members were positioned as active stakeholders throughout all phases of the intervention—from planning and implementation to evaluation. This approach was chosen to ensure the intervention was contextually relevant, culturally appropriate, and aligned with the actual needs of the target population.

The program began with a qualitative community needs assessment, conducted through informal interviews and direct field observations of members of the Indonesian diaspora affiliated with PERMAI in Penang, Malaysia. The aim of this assessment was to identify key factors contributing to community vulnerability to illegal online lending, such as low levels of financial and digital literacy, limited access to legal information, and unsafe digital practices.

Based on the findings of the assessment, a team from Universitas Mercu Buana—comprising faculty members and students—developed educational materials that were communicative, accessible, and socially and culturally relevant. The training content focused on four main topics: (1) recognizing the characteristics and tactics of illegal online lending schemes; (2) protecting personal data in digital environments; (3) making responsible and informed financial decisions; and (4) utilizing digital technologies for personal financial management and protection.

Training was delivered through hands-on workshops, real-life case simulations, small group discussions, and peer-led digital campaigns. Participants engaged in content creation for social media—especially Instagram—to disseminate awareness messages within their networks. This interactive and experiential learning method was informed by the participatory digital literacy training framework developed by Saragih (2023), which emphasizes collective engagement in understanding and managing digital risks.

The program was evaluated using a mixed-methods approach to obtain a comprehensive understanding of its effectiveness. Quantitative evaluation involved administering a 12-item Likert-scale questionnaire (1 to 4 scale), comparing participants' expectations prior to the training with their perceived outcomes. The instrument measured dimensions such as content relevance, delivery clarity, facilitator competence, participant engagement, and practical utility.

In addition, qualitative evaluation was conducted through in-depth interviews with selected participants to gain deeper insights into their experiences, reflections, and any changes in perception or behavior resulting from the program. The findings from both quantitative and qualitative components served not only to assess program outcomes but also to inform future improvement and replication strategies (Jalani & Easwaramoorthy, 2024).

This methodology was particularly suited to capturing cognitive and behavioral impacts in high-risk, low-literacy contexts marked by complex digital and financial vulnerabilities (Yue et al., 2021; OJK, 2021).

RESULTS AND DISCUSSION

The implementation of this community engagement program yielded substantial improvements in both digital and financial literacy among members of the Indonesian diaspora affiliated with PERMAI in Penang, Malaysia. Developed using a participatory, community-based educational model (Saragih, 2023), the program focused on key competencies such as recognizing illegal online lending practices, protecting personal data, making responsible financial decisions, and utilizing digital tools for financial self-protection and advocacy (Dewi, Putri, & Situmorang, 2024).

Participants demonstrated an increased ability to identify the characteristics and deceptive tactics of illegal online lending (pinjol), particularly after engaging in interactive case simulations (Khairil Umuri et al., 2024; Maky et al., 2023a). Prior to the intervention, many participants lacked the capacity to distinguish between legal and illegal platforms, making them highly vulnerable to financial exploitation (Gomulya, 2023; OJK, 2024). Observations and qualitative feedback collected after the training showed significant improvements in their ability to recognize legal indicators and warning signs in digital lending, affirming the effectiveness of experiential learning approaches.

The training also led to notable improvements in digital privacy awareness. Participants acquired practical strategies to safeguard their personal data—an essential component of financial security in the digital age (World Bank & AFI, 2024). This improvement was evidenced through post-training reflections, where participants reported increased caution when sharing personal information online and a deeper understanding of privacy risks.

Although formal pre- and post-tests were not administered to measure financial decision-making, qualitative insights indicated a positive behavioral shift. Participants expressed greater skepticism toward unsolicited loan offers and a stronger inclination to verify the legality of financial platforms via official channels such as the Financial Services Authority (OJK, 2021). These changes align with recent findings that digital financial literacy directly influences individual behavior and financial well-being (Dewi, Putri, & Situmorang, 2024; Yue et al., 2021).

Furthermore, the program empowered participants with hands-on digital skills. Through training on content creation and social media management—particularly on Instagram—participants initiated grassroots awareness campaigns addressing the dangers of illegal online lending. This outcome demonstrates not only their technical competency but also their capacity for community advocacy (Syarahmalia et al., 2024; Maky et al., 2023b). These results reflect the recommendations of Khairil Umuri et al. (2024), who emphasize the value of community-driven digital outreach in fostering collective resilience.

Program effectiveness was measured using a 12-item Likert-scale questionnaire (scale 1 to 4), comparing participants' expectations with their perceived experience of the program. As illustrated in Figure 1, most items—especially P1 to P4 and P9—achieved performance scores that met or exceeded expectations, indicating strong participant satisfaction. However, items P5 and P12 showed negative performance gaps, suggesting the need for improved delivery of advanced content and post-training follow-up.

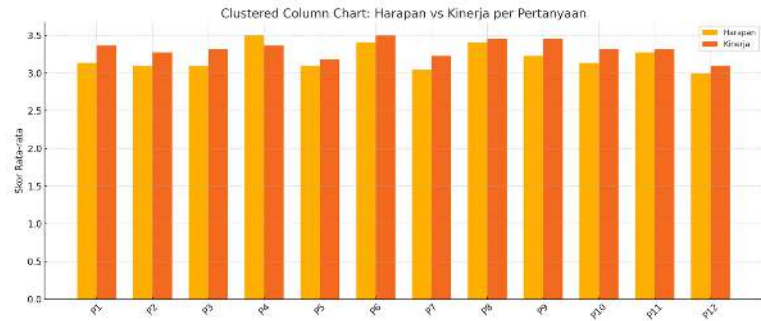


Figure 1. Comparison of Average Expectation and Performance Scores per Item (P1–P12)

Figure 2 visualizes the fluctuations between expectation and performance scores across all evaluation items. While expectations were highest for topics such as digital financial literacy (P4) and personal data protection (P6), most scores remained within acceptable ranges. Notable discrepancies in items such as P5 and P12 point to areas for future refinement, especially regarding sustained engagement and technical content delivery (OECD, 2019).

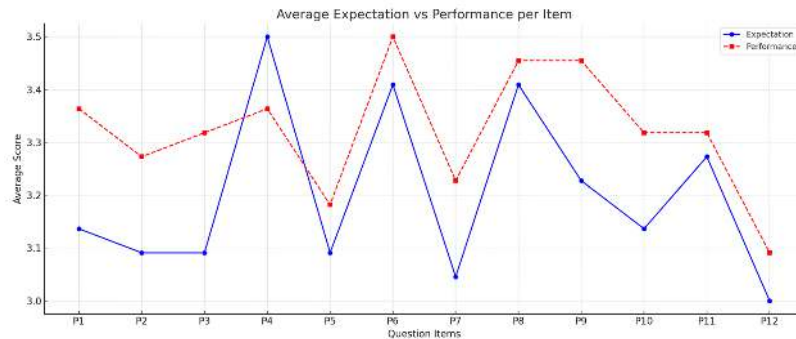


Figure 2. Fluctuation of Participant expectations and Performance Scores

Despite these promising outcomes, several implementation challenges emerged. These included disparities in digital competence among participants, limited access to technological resources (Jalani & Easwaramoorthy, 2024), and the absence of a structured mentoring system after the training concluded. Moreover, participant confidence in using digital tools remained uneven, suggesting that they require ongoing support and skill reinforcement.

Beyond its immediate outcomes, the program made a broader institutional contribution to Universitas Mercu Buana by supporting the achievement of Key Performance Indicators (IKU) 2 and 5—namely, student participation through the MBKM initiative and the utilization of academic output by the wider community. The program also enhanced PERMAI's role as a grassroots digital literacy hub and offers a replicable model for university–community collaboration in building inclusive, sustainable digital economic resilience among diaspora communities.

CONCLUSION

This community engagement initiative demonstrated that a participatory, community-based educational approach can significantly enhance digital and financial literacy among members of the Indonesian diaspora, particularly in high-risk, informal labor sectors. The program effectively addressed key competencies, including identifying illegal online lending practices, protecting personal data,

making responsible financial decisions, and leveraging digital tools for financial self-protection and advocacy.

Qualitative observations and participant reflections indicated clear improvements in knowledge, awareness, and behavior related to digital financial risks. The successful integration of experiential learning methods and community-led social media campaigns further reinforced the program's practical impact and sustainability. However, the presence of performance gaps in certain areas—such as technical content and post-training support—highlights the need for continued engagement and iterative program design.

Beyond its direct community impact, the initiative contributed to the institutional objectives of Universitas Mercu Buana by aligning with the national higher education Key Performance Indicators (IKU), promoting student involvement, and societal relevance of academic work. The program also positioned PERMAI as a model of diaspora-based digital literacy advocacy. As digital threats become more pervasive, such collaborative, grassroots educational interventions offer scalable strategies for inclusive digital resilience and economic empowerment.

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