

Economic Empowerment of Dhuafa Families Through Digital Business and Financial Management Based on *Maqashid Sharia* in Tambakrigadung, Lamongan

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Abstract Indonesia has an agricultural sector that contributes significantly to the Indonesian economy. However, when the COVID-19 pandemic affected the agricultural industry, it impacted much on the Maju Mulyo Farmer Group in Tambakrigadung, Lamongan. The majority of members of the Maju Mulyo Farmer Group were classified as dhuafa, which means that they had limitations in developing their businesses, planning family finances, and in using technology optimally to support business continuity. The solution provided was through community economic empowerment activities related to *Maqashid Sharia*-based financial management and digital marketing. The method began by identifying the existing conditions of the Maju Mulyo Farmer Group. Subsequently, it was proceeded with the training stages which included product development training, business management, recording simple accounting reports, e-commerce, digital marketing, and family financial management. The last stage consisted of mentoring, empowering, monitoring, and evaluation. The results of community service activities and providing training with regular assistance could open new insights for rural communities regarding financial and business management amid the COVID-19 Pandemic. Financial management and digital business could facilitate the daily activities of residents and improve the ability of villagers to survive during the COVID-19 pandemic.

1. INTRODUCTION

The COVID-19 pandemic has triggered various socio-economic problems, such as increasing unemployment, food scarcity, and even an economic crisis (Miao et al., 2021; Gross et al., 2020; Goutte et al., 2020; Sheldon, 2020). This pandemic has resulted in a sluggish Indonesian economy. It was recorded that Indonesia experienced a recession of minus 5.32% in the second quarter and minus 3.49% in the third quarter of 2020 (Badan Pusat Statistik, 2020). In addition, the Indonesian Central Bureau of Statistics (Badan Pusat Statistik) stated that in March 2020, the poor population increased by 1.63 million as of September 2019 (Badan Pusat Statistik, 2020). Therefore,

the number of poor people currently stands at 26.42 million. The government's policy in slowing the spread of the COVID-19 virus by implementing large-scale social restrictions and the imposition of restrictions on community activities has reduced the productivity of various economic sectors that trigger an increase in unemployment and poverty.

The impact of the COVID-19 pandemic has also been felt by residents of Tambakrigadung Village, Tikung District, Lamongan where the majority of the residents work as farmers. The agricultural sector is the occupation

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of the majority of the Indonesian population, especially in the rural informal sector (Susanto et al., 2017). Recorded in the Central Bureau of Statistics of Lamongan, Tikung District has a harvest area of 7567.00 ha. Tambakrigadung Village has an area of 418.90 ha (4.21 km²), including a rice field area of 245 ha, dry fields of 22.24 ha, and a yard land of 25.5 ha. The Central Bureau of Statistics of Lamongan recorded agricultural land productivity in Tikung District in 2019 at 7.63 tons/ha with 57,767 tons of grain production and 36982.73 tons of rice (Badan Pusat Statistik Kabupaten Lamongan, 2019). Most of the residents of Tambakrigadung Village work as farmers and farm laborers. Their superior products are rice, fresh vegetables, and third harvest (*palawija*). Meanwhile, in the home industry sector, several processed food and beverages are produced, such as traditional herbs and other processing products.

Farmers suffered losses during this pandemic. One

of the causes is the decline in harvest prices, the limited distribution, and the decline in people’s purchasing power (Rizal, 2020). This is also experienced by the Maju Mulyo Farmer Group, one of the farmer groups in Tambakrigadung Village. The Maju Mulyo Farmer Group was formed to help local farmers fulfill their agricultural needs. Most of the members of the Farmer Maju Mulyo Group are the *dhuafa*. Their incomes from agricultural products are below the minimum wage. Furthermore, road access in Tambakrigadung is still macadam in several sections, making it difficult to access health and education services properly. A member of the Maju Mulyo Farmer group, Mr. Marlikan, said that since the COVID-19 pandemic began, farmers experienced many losses, including limited fertilizers, which caused productivity to decline, falling selling prices of crops, and declining purchasing power of the people. This has resulted in slower production processes, sales decline, and unstable farmers’ incomes.

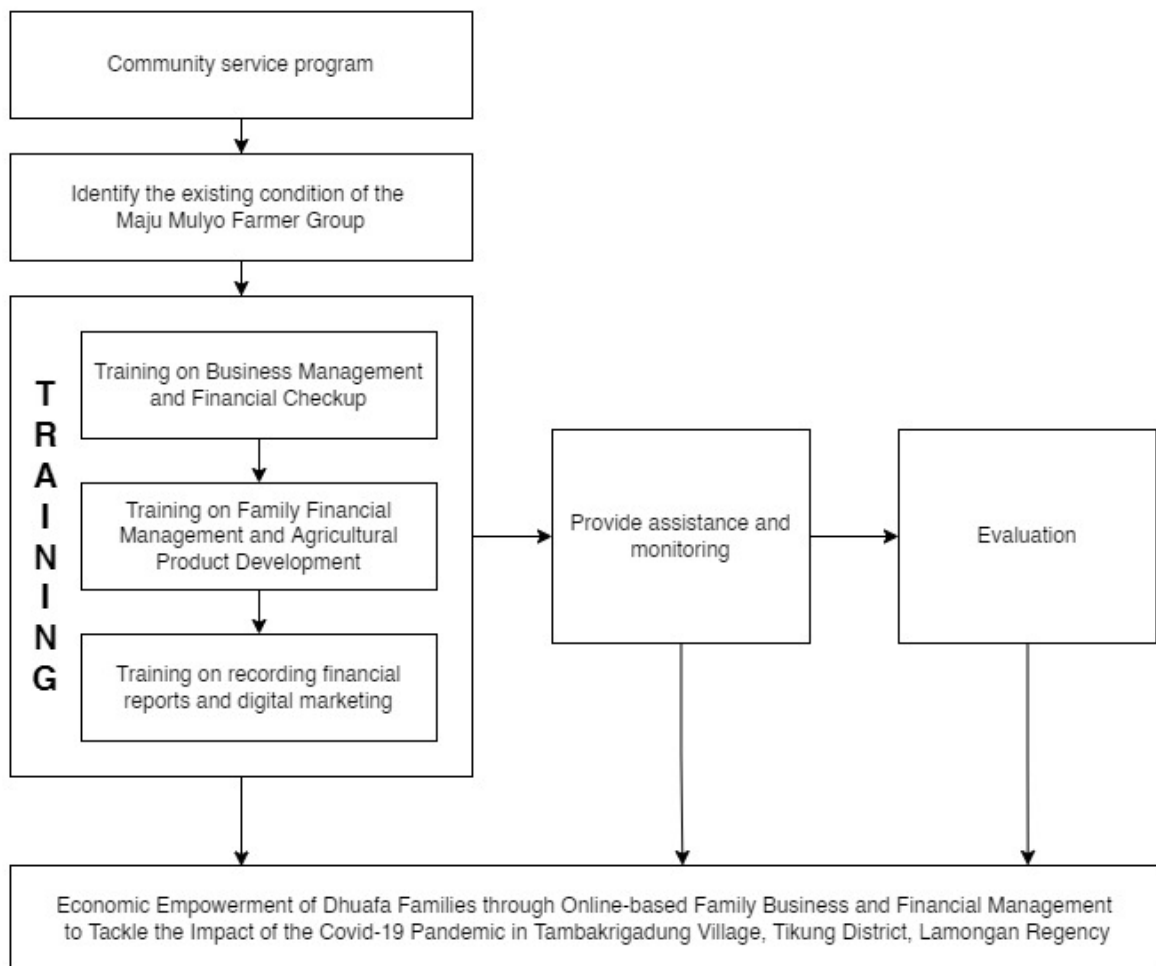


Figure 1 . Model of community service and training.

In the period of large-scale social restrictions, community service activities have changed into online activities that require the help of devices such as smartphones. Likewise, members of the Maju Mulyo Farmer Group, even though they already use smartphones

in their daily activities, their utilization is not optimal. The activities carried out by members of the Maju Mulyo Farmer Group have not been supported by adequate business management capabilities. Their entrepreneurial and marketing knowledge needs to be improved, especially

in the digital business. Their low ability to identify market tastes makes their products less attractive to the public. The characteristics of the *dhuafa* families of the Maju Mulyo farmer group make them vulnerable to ribawi practices, inefficient business management, and inappropriate financial management. They need to be equipped with knowledge of financial management based on *Maqashid Sharia* as well as training and business assistance to improve the entrepreneurial skills of its group members.

Based on these conditions, this community service activity was devoted to empowering members of the Maju Mulyo Farmer Group and the Tambakrigadung Village Community to hone their various potentials in managing their finances and businesses that are digitally integrated based on *Maqashid Sharia*. This community service aimed to establish a resilient community in dealing with the impact of the COVID-19 pandemic.

2. METHOD

In designing the model and concept of training and business assistance, several stages were arranged. As a result, this community service could be carried out optimally and bring a significant impact on the target community, in this case, the Maju Mulyo Group. The members of the Maju Mulyo Group are generally the *dhuafa* whose income is below the minimum wage line and is only sufficient to meet their basic needs. Meanwhile, for other needs, such as access to education and health, the members of Maju Mulyo Group still had some difficulties in fulfilling them. In addition, in terms of their educational background, the members of the Maju Mulyo Group are either elementary school graduates or junior high school graduates. This made Maju Mulyo Group have limited knowledge regarding how to improve their agricultural products so that they could earn additional income. Therefore, training and mentoring are needed by the members of the Maju Mulyo Group to improve their knowledge and abilities, which would also increase their economic level.

The uniqueness of the training provided for the Maju Mulyo Group is the *Maqashid Sharia*-based financial management and digital marketing, in accordance with the purpose of this community service that was to improve business management and achieve growth and welfare for the target community. In *Maqashid Sharia*, welfare is achieved if a person can fulfill five areas, which comprise religion, soul, lineage, education, and economy. In this training, the Maju Mulyo Group was not only given material (economic) training, but also non-material (spiritual) training. The spiritual training provided did not only focus on increasing worship quantity, but also on the moral aspects of Islam that must be followed when doing economic activities. The framework and steps of activities in implementing the community service can be seen in Figure 1.

The stages of preparation carried out by the community service team are:

1. Identify the existing condition of the Maju Mulyo

Farmer Group by collecting the list of members participating in the program. Attendees must become active members. In order for service activities to run effectively and efficiently, each member was asked to state their willingness to participate in all training and mentoring sessions. This was intended as anticipation so that members did not only attend one or two sessions but were present in all sessions to receive the training materials in its entirety. The training and mentoring in this community service activity were systematic. The assistance/business clinics were available throughout the program.

In this community service, the team from Universitas Airlangga met with several leaders or administrators of the Maju Mulyo Farmer Group and representatives from the village government to conduct in-depth interviews and Focus Group Discussions (FGD) to collect information and the existing conditions of this group. In addition, an initial analysis will be carried out at this stage to find out the problems faced by this group so that the results of this initial analysis can support the forming of strategic training needed by the community.

2. Preparing training materials in the form of PowerPoint materials and modules, which consist of the business management module, family financial management module, agricultural product development module, e-commerce, digital marketing module, and simple accounting report module.
3. The form of training provided to Maju Mulyo Farmer Group members covers several strategic topics and is conducted through three training sessions. The first training included the Business Management and financial checkup training. The second training was on family financial Management and Agricultural Product Development. The third training was about simple accounting report, e-commerce, and digital marketing.

- a. The First Training

Participants received material on family financial management and financial checkups. For family financial management, participants learned some tips for managing family finances effectively and efficiently. The participant also learned how the Prophet Muhammad SAW managed household finances which could be an excellent example for village communities to emulate and to provide materials related to preparing emergency funds for managing family finances in the face of the COVID-19 pandemic.

Materials related to financial checkups aimed to evaluate the sources of capital, income, management, and expenses of the farmer group members. The purpose of this was to see the extent of the business capacity of farmers to look for assistance from financial institutions.

The material also included sources of business models and income that members of the farmer group could utilize.

b. The Second Training

In the second training session shown in Figure 2, participants received materials about financial management that were expected to provide an overview of how a farmer could save income, spend expenses, and how much money to distribute for priorities and achieving goals. It emphasized the costs that could be structured so that farmers could achieve maximum use of funds to meet needs. *Sakinah* financial planning was also taught; it was an advanced material on managing family finances, bringing peace in the context of *Qanaah* (humble), and referring to *Maqashid Sharia*.

Further, the second training presented material related to the management of agricultural products, intending to improve farmers' ability to manage their agricultural products so that they could have more selling value.

The speaker also conveyed how to manage paddy farming land productively with the *Jarwo "Jajar dowo"* system. This system could be done by utilizing two rows planted with rice while emptying one row. The "*Jarwo*" system is the best at four, meaning four rows were planted with rice while emptying one row. According to previous studies, rice cultivation using the "*Jarwo 4 and 1*" system could increase rice production by up to 30%.

Furthermore, the speaker provided a solution to produce a high-yield value by conducting tests on the seeds to be sown. In this process the seeds were soaked in 20gr /liter of salt water. The tests on seeds could result in a 20% increase in productivity. This was a reasonably high increase. It was hoped that farmers will be able to follow this solution so that farmers could overcome one of the problems regarding productivity.

c. The third training

The third training was continued with materials on recording financial reports and digital marketing. Participants were given materials and directly guided to practice the material provided. Submission of materials on financial records was given to participants as a means of accountability and a tool for evaluating business performance, finding out financial position, calculating profits, and providing information to outside parties. Digital marketing materials were also given to participants as a provision to start a business or expand their business reach.

4. After providing materials and training to participants,

the next step was to provide assistance and monitoring. This step was carried out twice to see how far this community service program was successful. This stage is carried out after the planned training activities had conducted.

5. Evaluation was carried out on several aspects to examine the success of the service program in creating entrepreneurs, overcoming problems faced by members, and providing benefits to the surrounding community and others related to the program. In addition, the evaluation included the extent to which group members' income had increased before and after the training.



Figure 2. Community service activities in Tambakrigadung Village, Tikung, Lamongan District.

3. RESULT AND DISCUSSION

This community service activity was carried out in stages starting from introduction, provision of material and training, mentoring, and activity evaluation to improve the ability of Tambakrigadung Village residents to develop business and financial management. The service was implemented through stages, with three training schedules and mentoring meetings conducted online, considering the activated social restriction policy by the government since early July 2021. There are approximately 20 participants in the activity. The number of participants who attended each activity was always changing due to their busy schedules.

3.1 First training result

Participants received materials on family financial management and financial checkups. In the first training session, the community service team gave a questionnaire describing the community's condition before the pandemic and when the pandemic happened. This questionnaire was given with the aim that the community service team could provide an adjustable plan. The results of the questionnaire can be seen in Table 1.

Within each training session, a questionnaire that contains questions about the material provided was distributed. This questionnaire measured participants' understanding during the community service activities. From the results of this questionnaire, it were found that the village community, especially members of farmer

Table 1 . Summary of questionnaire for community service participants in Tambakrigadung village

No	Questions	Answer
1	What types of businesses are run by the people of Tambarigadung Village	Farming, livestock farming (goat, cow farming, and chicken)
2	What is the region's flagship product	Rice and vegetables, grain, kale seeds, spinach, mustard greens, beef cattle, goats, secondary crops, and vegetable chips
3	How is the development of community business? Does the pandemic affect the community's businesses?	a. COVID-19 pandemic started -> budget refocusing -> the reduced subsidies on fertilizer -> fertilizer becoming scarce -> farmers cannot fertilize on time -> reduced productivity; b. The policy that prohibits the slaughter of productive female cattle affects the selling price of cattle; the price of rice or other crops is relatively cheap, making their business activities falter.
4	What assistance did the farmer groups in Tambakrigadung village receive? Who provides this assistance?	Assistance was provided to farmers in the form of farm seeds, such as secondary crops, rice seeds, corn seeds, grain seeds and cash support from the government
5	How is financial management applied to businesses/farmer groups here?	Most villagers have not been able to manage finances well
6	Do the majority of farmer group members here have health insurance?	No, but there are some who already have.
7	What are the long-term desires and dreams of this village farmer group	a. Assistance, either fertilizer or other kinds of assistance (come at the right time); b. Guaranteed availability of cheap fertilizer; c. Stable prices of agricultural products; d. The establishment of farmer cooperatives for the community that can develop and prosper members and village communities; e. Selling price increases; f. Guaranteed business capital; g. Independent and prosperous farmers, the management of Maju Mulyo Farmer Group is clear and transparent; h. Receive livestock assistance; i. Agricultural products that are well distributed or can utilize the platform of Tanihub.

groups, understood the material provided and were able to apply the materials learned. On the other side, the questionnaire results showed that due to the COVID-19 pandemic, farmers' sales had decreased due to regional restrictions to prevent the spread of the virus. The impact of social restrictions (PPKM) inhibited the sale of agricultural and fishery products.

On the other hand, some agricultural and fishery products could not be stored for a long time and in large quantities. The distribution must be carried out immediately so that the quality of the product does not decrease. However, the existence of social restrictions (PPKM) caused a shortage of food supplies, and prices in producing areas are very low (Sulistiyansih et al., 2021).

3.2 Second training result

Financial literacy positively affects SMEs' financial management (Rumbianingrum, 2018). In the second service activity, participants were given a questionnaire

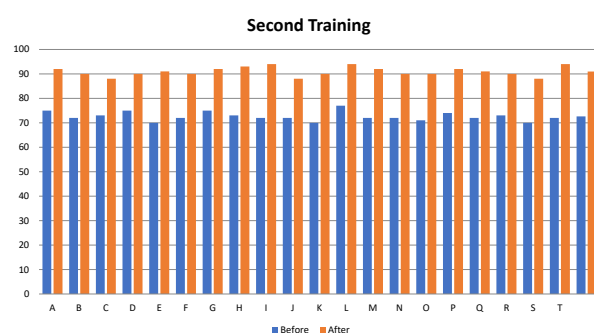


Figure 3 . Results of the Second Training Questionnaire.

about family financial management and the processing of agricultural products offered during the training. Out of the 20 participants who attended, 72% of whom understood the practice of family financial management and the development of agricultural products before being given the material. After providing the materials, participants'

understanding increased to 90%. This is illustrated in Figure 3.

3.3 Third training result

In the next activity, participants were again given a questionnaire related to the material presented before and after the community service. The third meeting was attended by 17 participants. Of the 17 participants who attended, the value of understanding related to financial records and digital marketing was 60% before being given training. This condition is was in accordance with the results of the activities carried out by Evasari et al. (2019); Utami et al. (2022) that digital marketing training and marketing assistance for MSME could increase the target group’s knowledge about online marketing. However, participants can could still not maximize their use of digital resources due to their limitations. This is illustrated in Figure 4.

After the training activities, the team conducted in-depth interviews with participant representatives to determine the extent of understanding received by the Maju Mulyo Farmer Group shown in Figure 5. As a farmer group representative, Mr. Marlikan explained that he needed material related to family management because, for Mr. Marlikan, the harvest was only stored and sold if it was required to be sold.

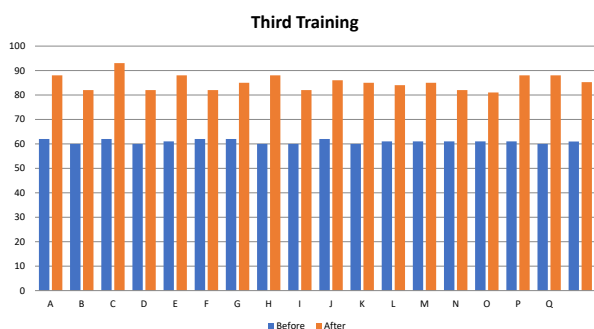


Figure 4 . Results of the Third Training Questionnaire.

There had not been further exceptional management of family and business finances. So far, farmers had only estimated the crop yield at a cost to meet the needs of their family. Mr. Marlikan also said that he was very enthusiastic about the next activity. Apart from being a new project, this activity also provided helpful knowledge and positively impacted the Tambakrigadung village community.

Another participant, Mrs. Siti Mahmudah, added that the material provided positively impacted their life. Training based on *Maqashid Sharia* not only provides knowledge about financial management but also how aspects of spirituality need to be implemented. Further, she commented that financial management was deemed impossible due to their uncertain income. Mrs. Siti Mahmudah was very interested in the delivery of agricultural product management materials. From that material, farmers gained new knowledge to manage agricultural land and agricultural products.

From the results of filling out the questionnaire, it could

be seen that after they were given the training, members of the Maju Mulyo Farmer Group could understand more about family financial management, agricultural products processing, financial records, and digital marketing. This can also be observed in the use of social media of members of the Maju Mulyo Farmer Group in promoting their agricultural products, developing agricultural processing



Figure 5 . One of the members of the community service team with (a) Mr. Marlikan and (b) Mrs. Siti Mahmudah

products, and using the Daily Financial Records application to record business income and expenses. This method made it easier for members of the Maju Mulyo Farmer Group to record income and expenses from financial activities such as using smartphones to communicate. In addition, members of the Maju Mulyo Farmer Group were able to sort out their income according to their portion and did not spend their income on excessive consumptive activities.

This was inseparable from how the tools are used in training and mentoring. The tools here, smartphones, were adapted for members of the Maju Mulyo Farmer Group and the residents of Tambakrigadung Village. Smartphones had not been maximized, and they were not familiar with applications to make their work easier, so they used their gadgets only to communicate. After carrying out a series of community service activities, the success of it could be seen through several achievements made by members of the Maju Mulyo Farmer Group and the residents of Tambakrigadung Village. This included developing agricultural products, the ability of farmer groups to make simple financial reports, planning family finances, and managing businesses digitally.

This training model was based on *Maqashid Sharia* which can be a reference for other community services in the future. The use of *Maqashid Sharia* as a reference for further activities could describe welfare in terms of religion, soul, intellect, wealth and lineage. The use of *Maqashid Sharia* as a reference was previously seen in the Icksani (2020), which stated that the benefits of the Empowerment program in Mrican Village on the welfare of the community included changes in economic life, increased religion, improved souls, improved health and enhanced education. The COVID-19 pandemic had negatively impacted agricultural activities in the Tambakrigadung village as seen from the results of hampered agricultural product sales and distribution channels. Production and sales activities of farmers who were still traditional required innovation to overcome this. Emphasizing the benefits of using social media in marketing was a form of adaptation needed during this pandemic. Social media is one of the driving elements to continue to use in developing products, communicating with consumers and customers, dealers, and developing a wider market network, thereby increasing sales volumes (Pradiani, 2018). The approach used in this activity was to provide training and education on using technology in the marketing process and recording financial statements.

4. CONCLUSION

The social restrictions policy imposed during the pandemic had a negative impact on various aspects, one of which was experienced by the Maju Mulyo advanced farmer group in Tambakrigadung Lamongan. The majority of members of the Maju Mulyo Farmer Group belong to the poor group of society, whose income was still not in accordance with the minimum wage and had limited access to education and health. Their farms income had decreased, and their ability to develop better were limited. Their low capabilities in management and finances made them less effective and efficient in carrying out their daily economic activities.

Financial management and digital business could facilitate residents' daily activities and improve villagers' ability to survive during the COVID-19 pandemic. The provision of training and assistance in community service gave insight to the members of Maju Mulyo Farmer Group in managing their business and finances in the midst of the COVID-19 pandemic. With this activity, farmer group members could use their devices to develop their businesses and record financial reports properly.

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CONFLICT OF INTERESTS

The authors declare that there is no conflict of interests in this research publication.

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