

The Role of Sharia Financial Services in Reducing The Rate of Migrant Labor

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Abstract

This article confirms that Islamic financial services initiate and carry out local economic empowerment in the regions. The study will be carried out in areas that have so far been considered to be major suppliers of Indonesian Migrant Workers (TKI) abroad. One of them is looking at the role of Islamic financial services in the form of the treasury of Money and Finance (BMT) and Sharia cooperatives, which are currently emerging in the community. The role of Islamic financial services in several regions was able to restrain the flow of migration abroad. The method developed is to provide various forms of financial services as business capital.

Keywords: Migrant Workers; Sharia Financial Institutions; Sharia Financial Services.

Abstrak

Artikel ini menegaskan bahwa pemberdayaan ekonomi lokal di daerah yang diinisiasi dan dilakukan oleh jasa-jasa keuangan syariah. Kajian akan dilakukan di daerah yang selama ini dinilai menjadi penyuplai besar TKI ke luar negeri. Salah satunya adalah melihat peran jasa keuangan syariah dalam wujud BMT dan juga koperasi syariah yang saat ini banyak bermunculan di masyarakat. Peran jasa keuangan syariah di beberapa daerah ternyata mampu menahan laju arus migrasi ke luar negeri. Cara yang dikembangkan adalah memberikan jasa keuangan sebagai modal usaha dalam berbagai bentuk.

Kata Kunci: Pekerja Migran; Lembaga Keuangan Syariah; Jasa Keuangan Syariah.

INTRODUCTION

The problem of Indonesian Migrant Workers (TKI) cannot be allowed to become a humanitarian tragedy from year to year in the name of development. The country needs to be reminded that this group of workers considered foreign exchange heroes should be placed in a position that allows them to be considered in every policy process. The situation is more worrying; so far, the involvement of migrant groups is also often seen as a marginalised group. Several things that contribute to the process of marginalisation include the conceptual stereotype that has developed so far that the decision to become a migrant worker is seen as a rational response to poverty in the area of origin. As a result, these stereotypes have weakened the position of TKI in the entire process of international market activity. The poor bargaining position of workers is further exacerbated by international labour placement policies, which do not have a strong enough legal basis to guarantee protection to migrant workers.

Apart from all the issues above, there is one thing that often goes unnoticed, namely that the activities of migrant workers/TKI are never considered involved in the development process at both the micro and macro levels. As a result, it is rare to think about public policies that support them. The reality of migrant workers has thus become a wholly forgotten political-economic reality.

Some things that will be done in this research include reorienting development programs through careful planning by prioritising creating business opportunities in areas of origin, which are pockets of migrant workers through Sharia financial empowerment. Apart from that, the research focus is also on collaborating with the government to create job opportunities based on the strength and potential of the existing local economy. Here, it is time for the role of Sharia financial services to be invited to sit down with the local government to stem the migration flow out of the region and abroad.

The arguments and framework above show that this research wants to urge the state to be responsible for providing opportunities for all levels of society to carry out vertical mobility through economic empowerment at the local level. One of the reasons for the significant mobility of migrant workers abroad is unequal development and failure to provide a ratio of the development cake to all levels of society. This research is an effort to fill the space that the development balance sheet should provide a ratio for creating empowerment and development of society.

LITERATURE REVIEW

There have been many studies on Indonesian workers abroad, but the discussion variations resulted in different dimensions. Various studies that have been conducted, such as those conducted by Mantra et al. (1986), Mantra (1989), Goma (1993), Hugo (1995, 1996), Nasution (1997), Sukamdi et al. (2000) provide very varied dimensions of understanding. Socio-economic phenomena are issues that have always been the main focus except for the latest study conducted by Sukamdi et al., which focused on the reality of the role of women workers in the economic sector.

Various studies conducted previously, such as Oberei et al. (1989), Singh (1992) in India, Wooden in Australia (1990), Gardner on Asian migrants in America (1992), and Abella on international migration of workers to the Gulf countries (1992). 1992), and several other studies mainly emphasise that socio-economic aspects are the primary determinant of worker migration. Low employment opportunities in the region of origin, high differences in wages between the two regions or countries, and high aspects of unemployment in the region of origin are always seen as the main determinants of mobilisation for out-of-region (international) migration (Mantra, 1989; Hugo, 1995; Goma, 1993; Abella, 1992; Singh, 1992; Oberei et al., 1989). Therefore, the realities that make survival impossible in the area of

origin are essential to the international labour migration process, including Indonesian workers who work abroad. Another more specific study was conducted by Nayyar (1993). Nayyar's study compares the costs and benefits of international migration activities in several Asian countries. It's just that this study cannot be used as a basis for macro analysis for several problems. There needs to be more than a simple combination of micro-analysis to explain, especially when distinguishing between private, social costs and benefit leverage. This is because the relevant macroeconomic aspects of international worker migration need to be better accommodated so that they cannot provide transparent solutions for formulating economic development policies.

Various studies of international worker migration show that most of the international migration that takes place in various countries is influenced by the pattern of relations that develop between the countries concerned, both in the political and economic fields (Myers, 1998; Singer, 1998; Grieco, 1998; Zlotnik, 1998). However, among these many factors, economic factors are the most dominant factors (Hugo, 1996, 1995, 1992; Mantra, 1994; Urip, 1995; Frenkel, 1983).

From all the studies above, this research tries to take a position and fill the gap that has not been touched upon in previous studies, namely about how local economic empowerment in the region, mainly carried out by Sharia financial services, can reduce the rate of migrant workers through economic empowerment. With economic empowerment steps taken by Sharia financial services in the regions, the migration flow of workers abroad/outside the region can be suppressed in the long term. Therefore, this research has a different position from previous studies in the context of regional development and how the role of regional government drives the local economy.

This kind of study is essential. It must be recognised that unfavourable

geographical conditions coupled with relatively slow economic growth cause many people of productive age to migrate out, including international migration to various countries that are considered to have a higher level of profit from an economic perspective. This is where this research focuses on efforts to explore the potential that should be taken by regions supplying workers abroad to empower the local economy. This potential is to utilise the rise of Islamic financial services as a spur to economic empowerment at the local level.

RESEARCH METHODS

This research uses qualitative methods, while the type of research is field research. In this research, the approach used is descriptive-analytical and case study, focusing on the migration flow of migrant workers abroad and the need for local economic empowerment in Cirebon district, West Java. Through this approach, the problem of the increasing flow of migration abroad, which is the object of this research, can be elaborated more comprehensively and then an in-depth analysis. In addition, through this approach, it is hoped that the importance of local economic empowerment, primarily through the use of sharia financial services, to suppress migration flows in the region, which is the central theme of this research, can be explained thoroughly, including how regions take the initiative in producing innovative policies to create new centres of economic growth.

The data collection technique is carried out by collecting information from informants, and then data processing and analysis are carried out in stages (multistage and multilevel). So, the techniques used include various methods. First, collect data and documents related to the object of this research. This also includes library research; Second, inviting informants and stakeholder representatives to a Focus Group Discussion

(FGD) forum; Third, in-depth interviews with several key informants.

THEORETICAL FRAMEWORK

In this study, there are several theories used as analytical tools. This theory is essential to sharpen the analysis carried out. There are several conceptual frameworks used in this research:

First is the concept of a strategy for the economic empowerment of the people. In the view of tawhid science, the reality of the fall of the economic centres of the people is not only economic and political. Still, it can also be seen as an event of the fall of religious existence because, in reality, the economic resilience of a society will also influence the resilience of its political ideology and religious beliefs. The economic downturn is also related to a work ethic, the basis of which is the knitting of values that shape attitudes towards work is religion.

To prevent the economic downturn from becoming more widespread and impacting the decline of religious existence, it is time for Islamic education to give more weight to forming an entrepreneurial character through a local content curriculum as one of the essential parts of its educational goals. Forming an entrepreneurial character is the primary and first thing, not just providing technical skills lessons for an entrepreneur; it is only a complement, not the main thing because the main thing is insight and the ability to see opportunities, potential and the economy that exists in the life around him.

Second, the principles of financing in Islam. To conform to Islamic rules and norms, five religious aspects must be applied in investment behaviour, which has a strong position in the literature. The five aspects are no interest-based financial transactions (*riba*); the introduction of religious taxes or almsgiving; prohibition of the production of goods and services that conflict with the

Islamic value system; avoidance of economic activities involving *maysir* (gambling) and *gharar* (uncertainty); provision of *tafakul* (Islamic insurance). These five elements give Islamic banking and finance a unique religious identity.

Third, types of sharia financing, including 1) *Musyarakah*. In the language, *syirkah* or *musyarakah* means mixed. In this case, they are mixing one capital with another capital. In Islamic jurisprudence, *syirkah* is an agreement between two or more people to share capital and profits. Muhammad Syafi'i, in his book *Bank Syari'ah (From Theory to Practice)*, defines *Musyarakah* as a cooperation agreement between two or more parties for a particular business where each party contributes funds (or charity/expertise) with the agreement that the profits and risks will be shared according to the agreement. *Musyarakah* (*syirkah*) is the mixing of funds to share profits. With *musyarakah*, financial institutions and clients become business partners by contributing capital at various levels and reaching an agreement on a profit ratio in advance for a specific time; 2) *Mudharabah*. A *mudharabah* contract is a cooperation agreement between the owner of funds (*shahib al-maal*) and the fund manager (*mudharib*) to carry out business activities with a profit-sharing ratio (profit or loss) according to the agreement. Then, if a loss occurs, the risk of funds will be borne by the capital owner as long as it is not due to negligence on the part of the manager. However, if the loss is caused by fraud or negligence on the part of the management, then they must be responsible for the loss. Generally, the profit-sharing portion is determined for the *mudharib* to be greater than the *shahib al-maal*. At the end of the financing period, the financing funds are returned to the *shahib al-maal*. In *mudharabah* financing, the *shahib al-maal* party may not participate in managing the project being financed. Ahmad Sumiyanto, in his presentation, explained that *Mudharabah* is a contract that has been known to Muslims since the time of the prophet and was even

practised by Arabs before the decline of Islam. When the Prophet Muhammad SAW worked as a trader, he entered a mudharabah contract with Khadijah. Thus, from the perspective of Islamic law, the practice of mudharabah is permissible, according to the Qur'an, Sunnah and Ijma.

RESULT AND DISCUSSIONS

The Role that Sharia Financial Services Can Play in Cirebon in Carrying Out Economic Empowerment at the Local Level

According to Law of the Republic of Indonesia No. 7 of 1992 concerning banking, the definition or definition of a bank is a business entity that collects funds from the public in the form of savings and channels them into the community to improve the standard of living of many people.

From the definition above, the role of banks is twofold. First, banks play a role in national development; bank activities collect and mobilise idle funds from the community and companies and then channel them into productive businesses for various economic sectors such as agriculture and mining, industry, transportation, trade and other services will increase national and people's income. This will open up and expand employment opportunities to absorb unemployed workers in society. Also, activities in providing services in payment traffic and money circulation can help enlarge and facilitate the flow of goods and services in society.

Second, banks play a role in income distribution, namely with policies in providing bank credit; this is vital because it determines the distribution of community income. Credit is a powerful tool for those who obtain it because by obtaining credit, a person can control the factors of production for their business activities. The greater the credit obtained, the greater the production factors that are controlled, so that the greater

the share of people's income that can be achieved.

Developing Micro Enterprises in this direction already exists, such as the People's Business Credit (KUR) program, a government program to advance the economy by providing capital for micro, small and medium enterprises (MSMEs) in the form of loans or credits. In other words, payment/credit for working capital or investment to debtors in the form of individuals, business entities, and business groups who are productive and suitable for building a business but do not yet have sufficient capital. There are various types of business credit programs, including:

1. Small Investment Credit (KIK)
2. Permanent Working Capital Credit (KMKP)
3. Candak Kulak Credit (KCK)
4. People's Core Plantation Credit (PIR)
5. People's Sugar Cane Intensification Credit (TRI)
6. Sawah Printing Credit
7. Teacher Professional Credit (KPG)
8. Student Credit (KMI)
9. Student Dormitory Credit,
10. Farming Business Credit (KUT)
11. Public Housing Credit (KPR)

However, this credit is channelled through Government-owned Commercial Banks and only a portion through Private-owned Commercial Banks and Village Unit Cooperatives (KUD).

The role of Sharia Financial institutions can increase with several factors, such as:

1. An increase in people's income, that is, an increase in people's income, causes an increase in the ability to save, so it must be accompanied by offering alternative savings products and

service products to meet people's needs.

2. Industrial and Technological Development, namely, with the development of the industrial and technological sectors, Sharia financial institutions must be able to meet the industrial sector's capital needs in large quantities.
3. Denomination of Financial Instruments, namely for financial institutions with their business characteristics, can provide small savers with the opportunity to obtain affordable financial instruments.
4. Economies of Scale and Service Products combine business resources to create various types of financial services in large quantities to reduce product costs per unit, providing advantages and advantages in competition.
5. Liquidity Services, financial institutions create and sell liquidity services products that make it easier for customers to overcome liquidity difficulties.
6. Long-Term Profits, namely sources of funds obtained from savers with low-interest rates, then rolled out/distributed as loans with higher interest and longer terms.
7. Less risk, namely by increasing awareness of financial authorities to implement stricter prudential provisions for the business activities of financial institutions and the existence of a deposit guarantee program implemented by the government. In other words, the monetary authority causes the risks savers face to be very small.

Poor or near-poor people generally own and manage small businesses or microenterprises. Usually, these micro businesses operate in the informal sector.

This sector emerged partly because the formal sector in Indonesia could not absorb the workforce increase due to population growth. The population increase is occurring in rural areas, especially in the most populous provinces in Indonesia. In these provinces, land ownership is not balanced with population, so the agricultural sector cannot support the population's lives, which is why urbanisation occurs.

Cities have various facilities that attract rural people to migrate, but attractive cities cannot accommodate all the migrants who come from villages; besides, job opportunities in cities require special skills.

Finally, most migrants from villages become unemployed in cities. Unemployment or excess labour is accommodated in the informal sector. They work or open micro businesses. This activity is a job opportunity that can absorb the accumulated workforce in cities.

To accommodate unemployed or underemployed workers in rural areas and cities, the concept of informal sector development or micro-enterprise development is used in Indonesia as a basis for policies to overcome employment problems and alleviate poverty. However, the obstacle in developing the informal sector or micro businesses is the limited capital to run or develop this type of business. Because, in general, commercial banks or general banks only serve this type of customer if these banks are in cities.

Independent work supported by the provision of credit has more potential to increase wealth or capital than that based on wages.

As a result of an interview with H. Ilham Busthomi, he stated that:

“Working for a company or government agency or being referred to as a hired worker certainly has many perceived differences compared to being an independent entrepreneur. Becoming an

employee requires several special requirements, often burdensome to employees because they do not conform to their conscience. "Becoming an independent entrepreneur is relatively easier, just with the will, followed by the financial and mental ability and skills."

There are at least 4 advantages of entrepreneurial activities that will be carried out, namely: being able to determine your direction and policies, being able to explore creative ideas freely, having an independent income and having financial freedom, and no less important is having high self-esteem because the same people do not regulate you. Superiors can open up new job opportunities for other people.

From this, the potential for financing independent entrepreneurs has enormous potential in efforts to empower the community, especially MSMEs, which is the mission of Sharia financial institutions. H. Ilham Busthomi supports this opinion, he believes that:

"One of the crucial problems in economic development, especially for micro, small and medium entrepreneurs, is the problem of capital. Financial service institutions, including Sharia-based ones, are present to mediate between communities or institutions with excess funds and business actors who still need capital. Fund. Safe fund collection products and profitable fund distribution are priority business activity programs in sharia financial services institutions for community economic empowerment."

Sharia Financial Services in empowering at the local level, especially in Cirebon

The functions of Sharia Financial Institutions are as follows:

First: Fund Collection, Collecting funds from the community through savings. In Islamic jurisprudence, it is known as wadi'ah goods, and in practice, carried out by sharia financial institutions in the form of

Wadiah Savings. Financial managers can use Wadiah savings to invest in businesses, with the owner's permission, or what is usually called wadi'ah yad dhamanah. The Sharia Financial Institution (LKS), as the party entrusted with the goods, can use the goods to be managed in a more productive sector. Wadi'ah in the Islamic system can take any form, whether in the form of money, gold, silver or other valuable items. According to the scholars, this is permissible. Apart from products, raising funds by LKS can be carried out using the principles of mudharabah and ijarah.

Second: Distribution of Funds to the Community. After funds from the community in the form of savings have been collected, LKS then distributes them back to communities in need. In the Islamic banking system, ideally, these funds are distributed only to parties who own businesses and for business development. In the Islamic banking system, savings and loans, as mentioned above, are called qiradh or mudharabah. Apart from that, Sharia banking also provides other services, such as walahah, cards al Hasan, and so on;

Third: Community Social, LKS can collect funds from the community in the form of Zakat, Infaq and alms (Ziswaf), then can distribute them to parties in need without expecting anything in return (Singgih Muheramtohad, 2017).

Sharia financial services that have been empowered at the local level, including districts and cities, are:

First: Providing financing or loans to customers still of productive age. Providing financing at LKS has factors to consider, as explained by H. Ilham Busthomi, he stated that:

"Priority of LKS financing or loans for productive age. Productive age is the primary consideration for approval of funding distribution at LKS because, at this age, a person's motivation, energy and mind are still high. After considering productive age, it is followed by consideration of other factors, namely Character, Capacity/cash

flow (Capacity/Finance), Capital (Capital), Conditions (Conditions), and Collateral (Collateral).”

H. Ilham Busthomi added that there is currently no priority for financing or loans for ex-TKI; so far, there is no priority for financing for ex-TKI, all those who apply for financing will go through a feasibility survey that meets the criteria above.

Second: Providing financing or loans to healthy SMEs and MSMEs, which have character, healthy finances, adequate conditions and benefits.

Third: Providing a humanitarian-based feasibility survey with the attention that the party needs capital assistance and must receive more intensive attention.

Fourth: Providing financing and loans to businesses that operate realistically, whether in goods or services. Real sector financing is usually micro and small, and this is very important because it does not contain gharar and is a real economic engine.

Fifth: Provide financing and loans to SMEs and MSMEs based on business ethics and morality, respecting contractual agreements more than prominent entrepreneurs.

Forms and Empowerment Processes Carried Out by Sharia Financial Services in Cirebon Regency to Reduce the Rate of Migrant Workers

Empowerment of MSMEs

Empowerment of LKS in Small and Medium Enterprises (UKM) and Micro, Small and Medium Enterprises (UMKM). UKM and MSME have the same connotation, namely the type of business carried out to grow and develop business to build a national economy based on a just economy.

The characteristics of SMEs and MSMEs are that they are medium to lower-class businesses, generally managed with a strong honesty ethic, and relatively more robust when faced with a crisis. The potential of MSMEs must be considered in making

public decisions, both by the Government and Financial Institutions (banking). Both focus on the emphasis on small businesses. However, the two can be differentiated in Business Turnover (micro turnover 300 million, small 300 million to 2.5 billion, medium 2.5 billion to 50 billion), all on an annual scale) (PP Number 23 of 2018). Net Worth (micro 50 million at most, small 50 million to 500 million, medium 500 million to 10 billion) initial business capital (micro 50 million, small medium 300 million) This is what quickly distinguishes the difference between micro and small medium, micro only managed by individuals with businesses with small profits, while Small and Medium Enterprises require more capital because companies or joint ventures manage them and are likely to have a more significant influence on economic development than SMEs, Number of Workers (micro 1-5 workers, Small 6 -19 people working 20-99, medium people working. Development (micro-managed by city districts, small-managed by the Province, medium-managed Nationally) (RI Law Number 23 of 2014). Moreover, taxes are applied (Net/Gross Income). If the VAT exceeds 4.8 billion, the VAT is 05%. However, suppose the medium business unit has a gross turnover of more than IDR 4.8 billion. In that case, the business actor will no longer be able to collect this 0.5% final PPh, which will impact tax on building rentals, rent services, number of workers, guidance and initial business capital (PP Number 23 of 2018).

The MSMEs managed and empowered by LKS, especially BMT in Cirebon, are still micro and trim; this is still based on the financial funds owned by LKS, which are still intended for that purpose. To develop the capital owned by LKS, it creates products that are expected to attract customers' interest in depositing their funds with LKS.

Empowerment through Social Program

The principles of Islamic morality are developed in the form of LKS. Thus, the aim of LKS is not solely profit-oriented but

instead contains Islamic and humanitarian elements. Sharia financial institutions provide most of their financing to the business sector and can reach micro businesses, which conventional banks rarely do.

Sharah Financial Institution financing, whether in the form of Banks, Savings and Loans Cooperatives or BMTs, has increased over time in terms of LKS turnover and the financing level. Because it operates in the real sector. The empowerment of LKS in social programs is still on a small scale. However, if all LKS develop, it will become quite large, such as consumer financing for people experiencing poverty, assisting educational institutions, and productive financing such as sewing training, motorbike repair shops, cake making and snacks. As expressed by H. Ilham Busthomi as follows:

"The empowerment program at LKS is not only through the distribution of funds in financing products which are business activities, but there are also empowerment efforts carried out through social programs in terms of costs and activities. Some of these social activities are consumptive for the poor, educational institutions, and productive empowerment activities, such as sewing training, motorbike repair shops, and making cakes and snacks. These empowerment activities are carried out with job training centres and the Amil Zakat Institute."

"There is also an empowerment activity by providing direct capital for goat breeding and fattening, of which there have been 5 beneficiaries with 15 goats."

Empowerment of Alumni of Job Training Institutes

Job Training Institutes (LPK) and Job Training Centers (BLK) create professional staff who can later create new job opportunities to reduce the number of unemployed and help create a favourable economic climate. Many LPK and BLK are owned by several Official agencies in the Cirebon district and city, such as the Social Service, Manpower Service to the

Cooperative and UMKM Service; LPK and BLK are also widely spread across various Non-Governmental Organizations (NGOs) both in collaboration with local governments and the private sector.

LPK and BLK alums or other expertise courses should be facilitated to collaborate with LKS to build a symbiotic relationship of mutually beneficial mutualism. LKS requires an injection of funds from collecting and distributing them, while LPK and BLK alums take advantage of the programs available at LKS, especially those of a social nature.

Steps that can be taken to make LKS empowerment successful for LPK, BLK and other course institution alums include:

First: LKS can provide exceptional margins given to Alumni of LPK, BLK and other course institutions;

Second: LKS can collaborate with LPK institutions and related services such as the Social Service, Manpower Office and Cooperatives and UMKM Services in sharing roles. LKS plays a role in capital financing, and the Department and LPK build business competence. This is to the results of an interview with H. Ilham Busthomi, who stated that:

"Cooperation between the Social Service, Manpower Office, Job Training Center (BLK), Job Training Institute (LPK), PJTKI and LKS in providing information about prospective migrant workers who have special skills and can carry out such cooperation, especially the Social Service, Manpower Office and LKS, will very good in efforts to pressure migrant workers to go abroad, institutions can share tasks, the Social Service is in the business competency training section while the LKS is to provide capital through financing with a remarkable margin."

Empowerment of former migrant workers

Migrant workers abroad have various professions but can be categorised into two, namely, Formal Migrant Workers and Informal Migrant Workers. Formal Migrant Workers are those placed in companies or

factories, either as factory workers, nurses in hospitals or other jobs. Meanwhile, Informal Migrant Workers are those who work abroad as domestic workers. When they return to Indonesia, formal workers usually have skills because they have developed the habit of working at work for at least 3 (three) years. Most female migrant workers in Taiwan who assemble dynamos dream of setting up a dynamo workshop when they return home. There are also migrant workers in Malaysia who, when they returned home, took up welding and even invited their friends to join, and now have an electric welding factory with 5 (five) employees. Not to mention former migrant workers who go through the G to G route, who are more professional and get pocket money when they return to Indonesia. They are usually stationed in South Korea and Japan.

This could become a new field of service and develop the LKS program wing to function as a people's financial institution.

Steps that can be taken to empower former migrant workers to become a new force in creating a more advanced economy include:

First: Services related to migrant workers (Social et al. Office, Cooperative and UMKM Service, PJUTAKI) should record former migrant workers who have the potential to develop their skills into new business units.

Second: Services related to migrant workers (Social et al. Office, Cooperative and UMKM Service, PJUTAKI) can provide guarantees or introductions to LKS stating that the former migrant workers are professionals and ready to open new businesses so that LKS will not hesitate to provide assistance capital with existing programs accompanied by a notable margin. This is in line with what was conveyed by H. Ilham Busthomi below:

"It is necessary to collect data on former professional migrant workers to provide financial loans so that they can develop their business and work experience. The labour department should already have

this data, and then the former migrant workers will be given competency strengthening through training, either by the labour department or through social services. Sharia Financial Institutions will be calmer in providing additional capital financing to competent entrepreneurs with good character in their business development efforts."

Third: LKS can collaborate with local governments to get an injection of funds so that more ex-migrant workers can open new businesses.

Fourth: LKS can develop more social programs with exceptional margins, which, of course, do not conflict with applicable laws and regulations, whether consumer or productive.

Fifth: LKS can open social programs in other sectors such as Agriculture, Livestock, Fisheries, Crafts, small industry, food and beverage management, workshops, services, and others.

CONCLUSION

Research on the role of sharia financial services in reducing the rate of migrant workers has produced the following conclusions:

1. The role that Sharia financial services in Cirebon can play in empowering the economy at the local level is by providing credit or financing for entrepreneurs, cultivating independent entrepreneurs, and becoming a mediator between investors and business actors. Independent work supported by the provision of credit has more potential for increasing wealth or capital than that based on wages. There are at least four advantages of entrepreneurial activities that will be carried out, namely: being able to determine your direction and policies, being able to explore creative ideas freely, having an independent income and having financial freedom, and no less important is having high self-

esteem because the same people do not regulate you. Superiors can open up new job opportunities for other people. From this, the potential for financing independent entrepreneurs has enormous potential in efforts to empower the community, especially MSMEs, which is the mission of Sharia financial institutions.

2. Sharia financial services provide empowerment at the local level, especially in Cirebon, through the following methods: First, Providing financing or loans to customers who are still of productive age because, at this age, a person's motivation, energy, and thoughts are still high. Until now, there is no funding priority for ex-TKI; all those who apply for funding will go through a feasibility survey that meets criteria such as Character, Capacity/Cashflow (Capacity/Finance), Capital (Capital), Conditions (Conditions), and Collateral (Collateral); Second: Providing financing or loans to healthy SMEs and MSMEs, which have character, healthy finances, adequate conditions and benefits; Third: Providing a humanitarian-based feasibility survey with attention that the party needs capital assistance and must receive more intensive attention; Fourth: Providing financing and loans to businesses that operate in real terms, whether in the field of goods or services. Real sector financing is usually micro and small, which is very important because it does not contain gharar and is a real economic engine; and Fifth: providing financing and loans to SMEs and MSMEs that are more based on business ethics and morality, respecting contractual agreements more than prominent entrepreneurs.
3. The forms and processes of empowerment carried out by sharia financial services in Cirebon Regency to

reduce the rate of migrant workers are as follows:

- a) Empowerment of MSMEs;
- b) Empowerment through social programs;
- c) Empowerment of alums of job training institutions;
- d) Empowerment of former migrant workers.

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