

From Craft to Cash: Digital Financial Literacy for Rural Entrepreneur

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Abstrak

Industri kreatif memiliki peluang besar untuk mendorong pertumbuhan yang berkelanjutan dan inklusif di daerah pedesaan. Sejalan dengan Tujuan Pembangunan Berkelanjutan (SDGs) Perserikatan Bangsa-Bangsa, khususnya SDG 8 dan SDG 9, artikel ini membahas sebuah proyek Pengabdian Kepada Masyarakat di Desa Bejijong, Indonesia, yang bertujuan untuk memberdayakan para pengrajin berbakat namun terpinggirkan secara digital. Proyek ini menggabungkan komponen pembelajaran interaktif serta memperhatikan sensitivitas budaya melalui penyelenggaraan workshop, pendampingan, dan dukungan lainnya. Pendekatan proyek ini menghasilkan peningkatan penggunaan e-commerce sebesar 68%, serta peningkatan rata-rata basis pelanggan peserta sebesar 41%, yang menunjukkan potensi pertumbuhan ekonomi hijau. Kontribusi unik dari proyek ini adalah mempromosikan literasi keuangan digital di kalangan pengusaha kreatif pedesaan melalui serangkaian program pelatihan yang disesuaikan, dengan memanfaatkan prinsip-prinsip psikologi komunikasi untuk meningkatkan kemampuan mereka dalam menggunakan alat dan platform digital secara efektif, mengelola keuangan, dan mengembangkan usaha mereka secara berkelanjutan, tanpa memandang usia atau pengalaman digital sebelumnya. Proyek ini juga berpotensi mendorong pelestarian aset budaya di Desa Bejijong serta mendukung pencapaian Tujuan Pembangunan Berkelanjutan.

Kata kunci—Literasi Keuangan Digital, Pembangunan Berkelanjutan, Industri Kreatif Pedesaan, Industri Kreatif

Abstract

The creative industries hold great opportunities to promote sustainable and inclusive growth in rural areas. Aligned with the United Nations Sustainable Development Goals, particularly SDG 8 and SDG 9, this paper discusses a community service project in Bejijong Village, Indonesia which sought to empower talented but digitally disenfranchised artisans and craftsman. The project incorporated an interactive learning component and cultural sensitivity by conducting workshops, providing mentoring and other support. The project's approach led to a 68% increase in e-commerce usage, and a 41% average rise in participants' customer base, showcasing the potential for green economic growth. The project's distinctive unique contribution was promoting digital financial literacy among rural creative entrepreneurs through tailoring a series of training program that leverages communication psychology principles to enhance their ability to effectively utilize digital tools and platforms, manage their finances, and scale their businesses sustainably, regardless of their age or prior digital experience. this project has the potential to advocating the preservation of cultural assets in Desa Bejijong and also advance the Sustainable Development Goals.

Keywords— Digital Financial Literacy, Sustainable Development, Rural Creative Industries, Creative Industry

1. INTRODUCTION

Creative industries in rural areas have historically played a crucial role in supporting local economies and safeguarding cultural traditions (Topno, 2020). Nevertheless, these sectors encounter distinct obstacles when it comes to obtaining the digital and financial resources essential for success in today's economy (Klyton et al., 2020). Many rural

entrepreneurs, especially those engaged in creative fields, often lack the necessary digital skills and expand their business (Tiwasig et al., 2022; Aziz & Naima, 2021). Despite this challenges, recent study has shown that many are actively seeking to improve their literacy in these areas (Tiwasig et al., 2022; Aziz & Naima, 2021). This presents a valuable opportunity to support the growth and sustainability

of rural creative enterprises through targeted capacity-building initiatives.

But even though the entrepreneurs have very high creativities and Desa Bejjong is a unique tourism village, most of them do not know how to use digital platforms and access financial services to become financially inclusive, expand market access, generate higher-income opportunities, and build the sustainability of their rural creative industries' business model (Megawati et al., 2020). As with other rural creative entrepreneurs in Indonesia, small and medium enterprises in the creative sector are generally found to suffer from limited capabilities in digital and entrepreneurship skills that hamper their ability to market and scale-up (Kusumawati et al., 2022; Cahyani et al., 2023; Hussin et al., 2022; Andiani et al., 2023).

Table 1. Bejjong Village Based on Education Level

No	Education Level	Total	Male	Female
1	Non Educated	1307	660	647
2	Pre-Elementary	287	145	142
3	Elementary	817	385	432
4	Junior High School	590	294	296
5	Senior High School	1084	577	507
6	Diploma (Vocational)	7	3	4
7	Academy	35	15	20
8	Bachelor's	178	82	96
9	Master	10	7	3
Total		4315	2168	2147

The COVID-19 pandemic has exacerbated these challenges with rural entrepreneurs needing to become increasingly accustomed to the vast and rapid growth of the digital economy (Kaur et al., 2021; Phillipson et al., 2020; Krismiyaningsih et al., 2020). In Bejjong, many local businesses were also at risk of shutting down entirely due to the impact (Shariff & Nor, 2020). Especially, because most of Desa Bejjong's residents are above productive age and generally have low levels of education which constitutes substantial barriers for experiencing use of digital and financial skills in running small creative enterprises in the modern economy (Tzafilkou et al., 2022; Jiang & Shimei, 2022; Enu-Kwesi, 2013). Until today, it's been madneses out there as we enter into Society.5.0 era and most population within Desa Bejjong still low-educated. On the official web site data publication of Desa Bejjong reported that 70% of its residents are just graduated from junior high school or attended a maximum education until nine years graduated from junior high school level, with as much as 30.3% stated that never or not yet attending schools.

The key challenges facing rural creative entrepreneurs in Desa Bejjong are rooted in their prior experience and mental models, which have

implications for both economic growth and environmental sustainability. Many of these entrepreneurs have long-established ways of operating their businesses, relying heavily on traditional, non-digital methods that may be less efficient and have a larger environmental footprint.

Table 2. Bejjong Village Population Based on Age

No	Age Group	Total	Male	Female
1	Toddler (0-5)	241	124	117
2	Children (6-17)	821	406	415
3	Adult (18-30)	881	448	433
4	Elderly (31-999)	2372	1190	1182
Total		4315	2168	2147

The high proportion of residents above the productive age and the generally low levels of education in the community present significant cognitive barriers to adopting new digital and financial technologies. These technologies hold the potential to not only expand market access and increase revenues but also to promote more sustainable practices. For example, e-commerce platforms can reduce reliance on transportation, minimizing carbon emissions associated with physical distribution. However, the entrepreneurs' struggle to understand and effectively leverage these tools limits their ability to embrace these greener alternatives, hindering their potential to contribute to a more sustainable local economy.

To address the deeply ingrained mental models and cognitive limitations of the rural creative entrepreneurs in Desa Bejjong, a communication psychology approach can be highly effective. By understanding the cognitive processes and psychological barriers that prevent these entrepreneurs from adopting new digital and financial technologies, targeted interventions can be designed to facilitate behavioral and attitudinal change. Drawing on principles of communication psychology, such as the use of persuasive messaging and interactive learning techniques, can help reframe the entrepreneurs' perceptions and overcome their resistance to change (Cialdini, 2016; Keller, 2020). This approach can leverage the power of social influence and peer-to-peer learning, involving successful local entrepreneurs as mentors and advocates to inspire and guide the participants, ultimately empowering them to overcome their cognitive limitations and actively engage with the necessary digital and financial tools. Furthermore, the development of a comprehensive digital and financial literacy program tailored to the specific needs and context of the Desa Bejjong creative entrepreneurs can significantly enhance their ability to thrive in the digital economy.

Inclusive growth, a cornerstone of the United Nations Sustainable Development Goals, is crucial for empowering creative entrepreneurs in rural areas, particularly in today's digital age (Halkias & Thurman, 2012; Shafiu et al., 2020). Developing digital financial literacy is key to achieving this, as it not only provides marginalized entrepreneurs access to digital tools and platforms but also paves the way for inclusive and sustainable growth within rural creative industries, aligning with SDG 8: Decent Work and Economic Growth, and SDG 9: Industry, Innovation and Infrastructure. This approach is particularly relevant for tourist villages like Bejjong, which possess exceptional potential to attract visitors while minimizing their environmental impact. While the community in Bejjong maintains strong ties to Javanese traditions and simple lifestyles, integrating digital skills can enhance their existing practices and contribute to a greener economy. By providing digital financial literacy training, business owners can effectively manage their resources, adopt more sustainable practices, and enhance the competitiveness of their products and services. This multifaceted approach not only has the potential to increase income but also improves the overall quality of life, contributing to poverty reduction (SDG 1: No Poverty) and enhanced community welfare while minimizing environmental impact.

By promoting entrepreneurship among rural creative entrepreneurs, we can drive inclusive economic growth, improve livelihoods, and preserve local cultural heritage (Wahyu et al., 2021; Azmi et al., 2021). Recognizing the urgent need to empower creative entrepreneurs in Bejjong with the digital financial literacy skills necessary to navigate the modern economy is becoming increasingly important. Therefore, this community service project aims not only to address this critical gap but also to create a supportive ecosystem for inclusive and sustainable economic growth in the village.

2. METHOD

In order to reduce the challenges faced by people with digital intelligence, the project team decided on a program of personal counseling and other support, according to the recommendations from (Rural STEM, 2021) which defines the required opportunities for people living in various rural areas. As discussed in (How to Embrace the Next Digital Revolution, 2022), the digital economy can be a challenge for those familiar with traditional economic practices. Peer education and personal counseling, strategies suggested by (Flauzino et al., 2020), are effective in helping adults overcome initial challenges in adopting digital technologies. This work was developed in cooperation with local

authorities and with key. those who act to ensure that the intervention is based on the needs and conditions of Desa Bejjong. Needs research, group discussions and individual interviews were conducted to understand the current digital and financial capabilities, barriers, and aspirations of new rural entrepreneurs. and produce Bejjong art products.

The participants include 50 artisans and craftspeople who work in the Bejjong village area and produce genuine Bejjong craft products. Based on a needs assessment, the project team developed an integrated curriculum covering several topics, including: digital marketing and social media, where participants learned how to use popular platforms such as Instagram, Facebook, and WhatsApp to promote their products, connecting customers, and expand their online presence; financial management, having the skills to keep accurate records, access financial options, and make decisions about debt, goods and investments; in e-commerce and online shopping, participants explored platforms such as Shopee and Tokopedia to reach new markets and improve their shopping habits.

In addition, the program helped participants understand how to acquire and use digital banking tools, such as data entry machines and fast digital payment systems. The IDC machine allows businesses to accept digital payments from customers, and QRIS can easily integrate with various e-commerce platforms and digital wallets. By learning how to use these digital financial technologies, rural entrepreneurs in Desa Bejjong have been empowered to better manage their finances, gain new markets, and support the future of their many businesses.

The training program is offered in a combination of in-person workshops and online courses to ensure the availability and changes made by the participants in 3 months, with 3 seminars / workshops followed by online counseling. Contact programs, peer-to-peer learning, and personal tutoring are combined to improve engagement and knowledge retention. to evaluate the progress and impact of the program, pre-training and training surveys are carried out to follow the progress of the participants in the digital education and finance, including their personal changes in business and life.

To assess progress and impact, pre-training and post-training assessments are conducted using questionnaires and financial records. These assessments follow changes in digital literacy in finance, personal work and lifestyle. All data collection procedures followed ethical guidelines, ensuring informed consent and confidentiality. All data collection procedures followed ethical guidelines, ensuring informed consent and data privacy. It is important to note that the short

duration of the project may prevent testing of long-term impacts. In addition, the results of this study may not be directly generalizable to other contexts due to the unique characteristics of Bejjong Village.

3. RESULT AND DISCUSSION

This community service project has successfully empowered rural entrepreneurs with digital finance knowledge. The task force emphasizes personal training and additional support to ensure that all participants, regardless of age or digital experience, participate and benefit from the training program. This method has proven useful especially for older participants who are starting to experience problems understanding the technology and the platform due to previous limitations. The use of simple communication, language and visual materials such as information and video instruction further improves access and understanding, providing a learning experience for everyone.

The three-month training was completed with a total of 50 participants, mainly technical, small producers and entrepreneurs in various fields of innovation. Preliminary tests showed that participants scored an average of 45/100 in digital and financial literacy. There were particular difficulties in using social media in business, publishing online business management and understanding digital financial tools.

After the training, the participants showed significant progress, with the post-training evaluation showing an average score of 75/100, representing a 67% increase in digital and financial literacy. Participants showed great progress in using e-commerce platforms, developing social media strategies and managing financial information. In particular:

- (1) 70% of the participants started using Instagram and Facebook to present their products, increasing their customers by an average of 30%.
- (2) 60% adopted e-commerce platforms such as Tokopedia and Shopee to increase their sales, and 25% reported an increase in sales within two months of training.
- (3) 80% of participants improved their savings and financial management, and 40% used microfinance options through digital platforms.
- (4) 65% of participants found using QRIS as a payment method, allowing them to offer more payment options to local and international customers.

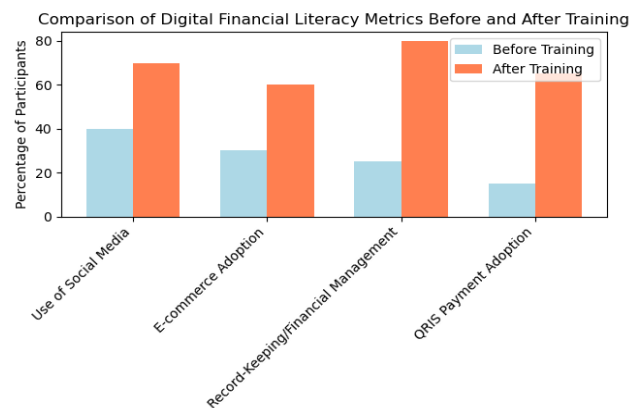


Figure 1. Comparison of Digital Financial Literacy

However, older participants (55% over 31) faced challenges when trying to understand the device's digital controls for the first time. Despite this initial problem, personal training and peer support helped them improve, especially with visual information and step-by-step instructions.

Although the project was a huge success, it also underscored the importance of addressing the unique needs of participants. Some older participants initially struggled with understanding the nuances of digital technologies and platforms. This mirrors challenges faced in other villages, where artisans with traditional skills, such as weaving, are increasingly exploring digital markets (Bertalya et al., 2014). The digital economy offers new opportunities, but also challenges traditional business practices and customer outreach. To address this, the project team will proactively provide personal counseling and other support to ensure that all participants, regardless of age or digital proficiency, can actively engage with and benefit from the curriculum. As suggested by a previous study (Aziz & Naima, 2021), stakeholders should develop digital and financial education programs tailored to the diverse needs and backgrounds of rural populations. This includes providing special assistance, particularly for adults who may face significant barriers in accessing new technologies. Project results indicate that peer-to-peer teaching and personalized coaching have been effective in helping adults overcome initial challenges with limited exposure to digital technologies before they fully grasp them.

To maximize the potential of the curriculum, the project team implemented various strategies, including using native languages for simple communication and learning processes, especially for adult participants, to help them overcome barriers and increase understanding and engagement. We introduced the use of visual aids such as infographics and step-by-step instructional videos to make the training content more accessible and understandable for participants, especially adults with limited

exposure to digital technologies. These additions help break down complex concepts into more accessible and engaging formats, complement the original teaching modules, and make the learning experience more inclusive for all participants.

While additional content such as visuals and step-by-step guides can help break down complex concepts, it risks derailing the content and not preparing participants for digital and real money applications. A more structured approach that combines detailed explanations, hands-on activities, and personal guidance can be more effective in creating a truly inclusive learning experience that allows students to overcome the lack of engagement in the digital realm.

Despite the project's positive outcomes, several limitations warrant attention for future improvements. While participants gained valuable skills in digital technologies and financial management, the long-term sustainability of these gains remains uncertain. Increased customer reach and enhanced financial well-being, though promising, may be short-lived without continued support and monitoring. Additionally, focusing primarily on the creative industries, while significant, may not fully capture the broader entrepreneurial landscape in rural areas. Future efforts should explore how this model can be adapted to other sectors to ensure a more inclusive approach to sustainable development. Finally, challenges faced by older participants in grasping digital concepts highlight the need for more adaptable training methods. While personalized mentoring and peer-to-peer support proved effective, a deeper understanding of the unique barriers experienced by different demographic groups is essential to guarantee equitable access to digital and financial literacy for all participants.

4. CONCLUSION

Recognizing the importance of inclusion, the program emphasizes peer guidance and support. However, ensuring adequate access to digital literacy and financial literacy requires an understanding of the unique barriers that different demographic groups face. Despite the challenges, the project succeeded in providing digital financial skills to artisans and rural artisans, demonstrating the transformative potential of the project to promote sustainable businesses and drive economic development in the rural community. The alignment of the development goals, especially SDG 8 and SDG 9, shows the transformative potential of digital literacy training for rural creative entrepreneurs. By providing participants with essential skills and creating a supportive learning environment, not only did e-commerce platform usage increase by 68%, helping to reduce

transportation needs and related deliveries, but resulted in an increase in the average customer. 41% of the base is occupied, showing the potential for green economic growth in the community.

The unique contribution of this program is to empower rural creative entrepreneurs through a digital literacy training program that uses communicative psychology principles to engage and empower diverse rural participants. To ensure that these results extend beyond the initial phases of the project, future efforts should focus on long-term sustainability and widespread implementation. This includes ongoing support and guidance, the introduction of advanced digital tools, outreach to other rural sectors and strengthening partnerships. By incorporating monitoring and evaluation methods, similar methods can increase program success, adapt to different needs, and ensure adequate access to language opportunities. digital and financial literacy for all rural entrepreneurs. Finally, the insights from this social work project are a good way for sustainable entrepreneurship and the development of rural creative industries.

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