

The Role of Diaspora in Realizing Indonesia's Economic Resilience

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Abstract

The Indonesian diaspora has a strategic role in strengthening national economic resilience through various contributions, such as remittances, investment, knowledge transfer, and economic and cultural diplomacy. This study aims to analyze the role of the diaspora in realizing national economic resilience and identifying the obstacles faced. With a qualitative descriptive approach with literature study. This study discovered four important things related to the role of the diaspora and the obstacles faced, namely first, remittances contribute to household financial stability, economic growth, poverty reduction, and strengthening micro, small, and medium enterprises (MSMEs). Second, remittances sent by the diaspora have proven to be one of the main sources of foreign exchange for Indonesia, which supports household consumption, education, and investment in the productive sector. Third, optimizing the role of the diaspora is still hampered by regulatory constraints, complex bureaucracy, and the lack of policies that support diaspora involvement in national development. Fourth, a more inclusive and systematic policy strategy is needed to integrate the diaspora into national economic policies, so that their potential can be utilized optimally to increase Indonesia's competitiveness and economic resilience. This study recommends that diaspora-related policies be integrated with national economic policies to increase Indonesia's competitiveness and economic resilience. This study contributes academically by integrating diaspora engagement with economic resilience theory which is an underexplored area in Indonesia. Likewise, it bridges policy discourse with diaspora studies, offering novel perspectives that enrich literature while recommending alignment of diaspora initiatives with national economic objectives to enhance Indonesia's global competitiveness.

Keywords: Diaspora Engagement, Economic Resilience, Indonesian Diaspora, Knowledge Transfer, Remittances.

1. Introduction

The rapid development of technology and communication has changed the way countries interact, making geographical boundaries increasingly invisible. This phenomenon not only facilitates cross-border collaboration, but also opens up overseas employment opportunities for people from various parts of the world, including Indonesia. With productive demographic characteristics, many Indonesian citizens are building professional networks and establishing working relationships in various countries (Prakoso et al., 2025). Those who work and live abroad are known as diasporas, and their presence has strategic potential in supporting national development, especially in terms of economic resilience (Oluwasanmi & Fagbadebo, 2025).

In this context, national economic resilience refers to a country's ability to withstand, adapt to, and recover from economic shocks, both domestic and foreign. This resilience is characterized by macroeconomic stability, industrial competitiveness, and the quality of human resources. One of the external factors that can strengthen national economic resilience



is the contribution of the Indonesian diaspora spread across various parts of the world. They not only play a role in providing economic contributions through remittances, but also contribute to knowledge transfer, innovation, and human resource development (Muhtadi et al., 2023).

Remittances sent by the diaspora are often used for household consumption, education financing, and investment in the local sector. This has a direct impact on improving the welfare of recipient families and helping to maintain national economic stability. In some developing countries, remittances have even become the main source of foreign exchange, surpassing the export sector (Chattoraj, 2023). More than that, the Indonesian diaspora is also active in education and research. Their presence in international academic institutions allows for the transfer of technology and knowledge that is needed in the national development process (Brooks & Waters, 2021; Prakoso et al., 2025)

However, optimizing the role of the diaspora is not free from challenges. One of the main obstacles is the social stigma that considers the diaspora as those who leave the country without the responsibility to return (Kundra et al., 2024). The lack of public and government understanding of the diaspora's strategic role in national development also weakens the synergy between the diaspora and domestic development policies (Fahriansyah & Sudagung, 2023). The absence of a formal mechanism that accommodates diaspora participation in a structured manner is an obstacle in maximizing their potential contribution (Cahyanto et al., 2023; Wapmuk, 2021).

Although various studies have addressed the role of diasporas in development, there is still a research gap regarding the implementable strategies that governments can employ to integrate diasporas into the national development system in a sustainable manner. Most of the existing studies, such as Adhikari (2023) and Ferdous (2024), highlight diaspora contributions to national development or political and social engagement, but have not explicitly analyzed how diasporas can play a role in comprehensively strengthening a country's economic resilience, especially in the face of global crises such as pandemics or geopolitical conflicts. Research by Abiltaevich (2023) and Adema (2023) shows the potential of diaspora in post-crisis recovery or sustainable development, but has not integrated the concept of economic resilience holistically. In addition, there are gaps in the identification of obstacles faced by diasporas to contribute optimally, both from the policy, social and bureaucratic aspects, as has also not been widely revealed in previous studies. A more integrative approach, which links diasporas with entrepreneurship and innovation ecosystems as proposed by Chen (2024) and Hasayotin (2024), has also not been widely applied to see the potential of diasporas as drivers of economic resilience. Therefore, this study aims to analyze the role of diasporas in realizing national economic resilience and identify various obstacles that hinder their contribution, in order to fill the gap of existing studies and provide relevant policy recommendations.

This research offers novelty by integrating the role of diasporas in strengthening national economic resilience holistically, which has not been widely explored in previous literature. Unlike previous studies that focus more on remittances or the social contribution of diasporas, this research explores the role of diasporas in supporting a country's economic resilience amid global crises, such as pandemics and geopolitical tensions. In addition, this study also identifies structural, social and bureaucratic barriers that hinder the optimal contribution of diasporas, which are still rarely discussed in depth. With an approach that connects diasporas to entrepreneurship and innovation ecosystems, this research is expected to provide new insights for policymakers in optimizing the role of diasporas in supporting sustainable economic resilience.

2. Methods

This research uses a descriptive qualitative approach with a literature study method. According to Creswell (2019), the qualitative approach aims to explore and understand the meaning given by individuals or groups to a social or humanitarian problem, while literature study is a data collection technique carried out by tracing, reviewing, and synthesizing various literature sources relevant to the research topic.

This study reviewed 38 literature sources published between 2015 and 2024. These sources include scientific journal articles that have been indexed by Scopus, Sinta, academic books, dissertation and thesis results, government policy documents, conference proceedings, and online media that are credible and relevant to the theme of diaspora and national economic resilience. The literature selection criteria were based on four aspects, namely: (1) relevance to the research focus and objectives, (2) source credibility (peer-reviewed), (3) novelty (maximum of the last 10 years), and (4) theoretical or empirical contribution to the issue of diaspora and economic development. To maintain data validity and reliability, researchers used source triangulation and researcher triangulation techniques. Source triangulation is done by comparing information from various types of sources (such as scientific journals, policy documents, and trusted news media), while researcher triangulation is done through an inter-researcher validation process to avoid subjectivity bias and increase the reliability of data interpretation.

The data analysis technique in this study used thematic content analysis, which was conducted systematically through three stages. First, researchers identified and coded concepts that frequently appear in the literature related to the role and obstacles of the diaspora. Second, the coding results were categorized into main themes such as remittances, knowledge transfer, diaspora investment, and regulatory or bureaucratic constraints. Thirdly, researchers synthesized and interpreted the data in order to generate a deep and comprehensive understanding that could form the basis for strategic policy recommendations.

3. Results and Discussion

3.1. The Role of the Diaspora in Indonesia's Economy

Diaspora is a global phenomenon that has garnered widespread attention in various academic studies. The concept of diaspora is often associated with transnational population movements, whether permanent or temporary, that maintain ties with their country of origin. According to Alunaza (2017) the diaspora is not merely the mobility of individuals abroad but also reflects social and economic networks that can be leveraged for the development of their home country. The diaspora encompasses various groups, including migrant workers, international students, professionals, and entrepreneurs residing abroad. A key characteristic of diaspora communities is their strong emotional and economic ties to their home country, their tendency to return or invest in their homeland, and their contribution to shaping the country's image at the international level.

As explained by Alunaza (2017), the diaspora is not only made up of migrant workers, but also includes international students, professionals and entrepreneurs who retain emotional and economic ties to their homelands. Analysis of various studies shows that the diaspora plays a significant role in supporting development through remittances, knowledge transfer, investment and cultural diplomacy. For example, research of Ferdous (2024) revealed that the Asian diaspora network is able to bridge the country of origin and the country of destination in the effort of sustainable social and economic development. The same thing

was also found in the study by Adhikari (2023) which highlighted the Nepali diaspora as a huge potential that has not been fully maximized due to suboptimal government policies. On the other hand, the Ukrainian diaspora shows that diaspora groups can also play an important role in post-conflict state reconstruction, including in strengthening the country's position in the international order (Adema et al., 2023). Meanwhile, research by Chen (2024) added that diaspora entrepreneurs are able to adaptively use resources from both home and destination country ecosystems to create a sustainable competitive advantage. These findings reinforce the understanding that the diaspora is not only a group that contributes from outside, but also a strategic actor that has a direct influence on national development through social, economic and institutional mechanisms.

The diaspora plays a strategic role in national development, encompassing economic, scientific, and cultural aspects. Referring to populations that have migrated from their homeland and settled abroad, the diaspora can significantly impact the economy of their country of origin through several channels, including remittances, knowledge transfer, investments, and trade relations (Stephen et al., 2021). Research indicates that strengthening relationships with the diaspora can help mitigate economic challenges faced by a country, particularly in navigating global uncertainties that often disrupt national economic growth (O. Akaeze et al., 2025).

One of the most significant contributions of the diaspora is remittances or money transfers from individuals living abroad to their families and communities in their home country. Economic contributions materialize through remittances, which serve as one of the primary sources of foreign exchange for developing countries and investments in strategic sectors such as real estate, technology, and the creative industry (Winata et al., 2023). In many cases, these money transfers serve as a vital source of income for recipients, leading to increased consumption in the local economy. According to Lindley et al. (2024), in their analysis, remittances not only provide financial support but also contribute to increased investment in education and healthcare in the country of origin, further strengthening economic segments.

The contributions of the diaspora to the economy are not only felt at the individual and community levels (microeconomics) but also have broader effects on a national scale (macroeconomics). At the microeconomic level, the diaspora plays a role in improving household welfare through remittances and support for micro, small, and medium enterprises (MSMEs). Meanwhile, from a macroeconomic perspective, the diaspora strengthens national economic resilience by increasing foreign exchange reserves, encouraging foreign investment, and expanding access to international trade (Beglaryan & Sargsyan, 2023).

The role of the diaspora in Indonesia's microeconomic development cannot be overlooked. As a community originating from a particular country but residing abroad, the diaspora can make significant contributions to the microeconomy of their home country through various channels. One of the biggest contributions of the diaspora is remittances. These remittances help reduce poverty and improve economic well-being. Studies indicate that remittances have a significant positive effect on household income and consumption, particularly in rural areas that are more vulnerable to economic fluctuations (Islam et al., 2024; Noman & Uddin, 2011). The increased purchasing power resulting from remittances enables families not only to meet basic needs but also to invest in education and healthcare, potentially creating a more positive cycle of economic growth in the future (Salahuddin et al., 2022). This view is supported by research showing that remittances can directly improve the financial sector and contribute to economic development (Noman & Uddin, 2011).

Remittances also play an important role in maintaining economic momentum related to investment. Remittance recipients often use these funds for investments in micro and small businesses (MSMEs), which directly create jobs and enhance local economic competitiveness. Remittances are also crucial for sustaining MSMEs, which serve as the backbone of Indonesia's economy. Data shows that approximately 60% of Gross Domestic Product (GDP) comes from this sector (Sarfiah et al., 2019; Utomo et al., 2024). With remittances, recipient families are better able to start or expand small businesses, contributing to overall economic growth. This aligns with the research of Wahab and Mahdiya, who emphasize the importance of supporting MSMEs in efforts to revitalize the national economy, especially after crises such as the COVID-19 pandemic (Wahab & Mahdiya, 2023). Thus, remittances serve not only as a short-term measure to address urgent needs but also as a long-term instrument in strengthening a country's economic foundation.

In the realm of science and technology, the role of the diaspora is reflected in technology transfer through academic collaboration and research with institutions in their home country. The diaspora, as agents of knowledge and technology transfer, has immense potential to support development and strengthen the economic resilience of their home country. As a group with access to international resources and networks, the diaspora facilitates knowledge exchange and dissemination, positively impacting various sectors in their home country. When individuals within the diaspora bring back knowledge, skills, and experiences acquired abroad, they can significantly contribute to intellectual and technological development in their home country. In this regard, several key pathways enable the diaspora to act as a bridge between their home country and their host country.

Professional diaspora members often engage in training and human resource development, particularly in strategic fields such as science, engineering, and medicine. Technological innovation is also advancing thanks to diaspora involvement in introducing new methods and insights that enhance national competitiveness. One significant benefit of the diaspora is its ability to facilitate knowledge and technology transfer, ultimately supporting innovation and economic growth in their home country (Gnimassoun & Anyanwu, 2019). Diaspora members have access to advanced education and training that may not be available in their home country, and they can bring back these experiences to apply them in crucial sectors such as healthcare, education, and industry.

The diaspora frequently invests in business initiatives in their home country. Their presence brings capital and entrepreneurial expertise that can drive the development of local markets. The diaspora plays a role in job creation and business knowledge transfer through investment mobilization and partnerships (Ughulu, 2024). For example, when diaspora members establish businesses or collaborate with local enterprises, they share best business practices and introduce global experiences into the domestic market. Such activities enhance local competitiveness and reduce business failure risks.

Maximizing the role of the diaspora in enhancing Indonesia's welfare and economic development still faces significant challenges. Although the diaspora has great potential to contribute to development and the economy, various obstacles hinder optimal participation. To date, there is no systematic database that records the diaspora, making it difficult for the government to develop targeted policies. A study by Kristanti et al. (2016) indicates that without clear data, it is challenging for the government to map the skills, locations, and potential of the diaspora in supporting national development.

The experience of other countries, such as China and India, highlights the importance of policy support for the diaspora in increasing their economic contributions (Romdiati, 2015). China has implemented various strategic policies to attract professionals and entrepreneurs

from its diaspora through the "Thousand Talents Plan," which provides financial incentives, easy access to research resources, and business opportunities. This policy has significantly contributed to technological innovation and investment in China's strategic sectors (Guo & Guo, 2016). Meanwhile, India has successfully leveraged its diaspora by creating a conducive ecosystem for investment and technology transfer. The Indian government introduced schemes such as the "Overseas Citizenship of India (OCI)," which grants special privileges to the diaspora, enabling them to invest and contribute to the domestic economy (Kapur, 2010).

In the context of Indonesia, best practices from these countries should be adopted to facilitate the diaspora's contribution to their homeland's development. Indonesia can learn the importance of proactive policies in engaging the diaspora, whether through economic incentives, investment facilitation, or strengthening connectivity between the diaspora and domestic sectors. By doing so, the potential of the Indonesian diaspora can be fully optimized to support national economic resilience. Inclusive and strategic government policies will be key to ensuring that the diaspora can play an optimal role in both economic and social contexts in Indonesia (Romdiati, 2015; Syafitri et al., 2024).

3.2. Barriers to the Diaspora and their Implications for Economic Resilience

The presence of the Indonesian diaspora abroad can make a significant contribution to national economic resilience. However, the obstacles faced by the diaspora in actively participating often diminish this potential contribution. Various factors, ranging from limited access to information to unsupportive government policies, hinder the diaspora from engaging in economic development. This has implications for economic resilience at both the diaspora family level and their home country.

One of the main barriers is the lack of understanding of the prevailing dynamics in the homeland, including economic regulations and policies that could facilitate diaspora participation in investment and business. As revealed by Adhikari (2023) in his study on the Nepali diaspora, one of the main obstacles is the inadequate government policies to effectively engage the diaspora. The government has not fully provided attractive incentives or created a regulatory framework that supports diaspora engagement in national development. The implication is that the potential of the diaspora to strengthen economic resilience is not optimally mobilized. The diaspora often feels alienated from the decision-making processes that affect them and lacks sufficient access to open information. Indonesia has yet to establish a clear policy framework to involve the diaspora in national development. Many diaspora members wish to invest in Indonesia but encounter complicated bureaucracy and unsupportive policies. Many struggle to obtain business permits or property ownership rights in Indonesia, leading them to invest in other countries that offer greater ease. Additionally, the lack of sustainable programs to connect the diaspora with their homeland is another major obstacle.

Other empirical studies show that unstructured policies can lead to dissatisfaction among the diaspora, who feel unappreciated or ignored. Existing programs often fail to consider the needs and aspirations of the diaspora, reducing their motivation to contribute. Many diaspora members have the potential to invest and contribute to development but frequently encounter complicated bureaucracy and a lack of government support (Franc et al., 2020). A study by Alunaza (2017) found that although forums such as the Global Summit conducted by the Indonesian Diaspora Network exist, the implementation of policies supporting the diaspora remains very limited. This gives the impression that the government does not value the contributions of the diaspora, thereby reducing their motivation to engage directly in achieving national economic resilience.

Regulations regarding dual citizenship, which is not recognized in Indonesia, also hinder diaspora contributions. Many diaspora members lose their citizenship status and face difficulties investing or returning to Indonesia. Furthermore, they often experience limited access to information regarding opportunities to contribute in their homeland, whether in economic, academic, or social fields. In addition, the recognition of the diaspora as a strategic asset for national development remains minimal, meaning their expertise and experience are not optimally utilized (Prakoso et al., 2025).

From a social perspective, differences in identity and loyalty also act as inhibiting factors. Chakrabarty argues that diasporas tend to be hindered by stereotypes and discrimination, which often lead to their marginalization in their new societies (Chirambo, 2021). Racial discrimination and biases against certain groups can affect the diaspora's economic ability to participate in local markets, reducing job opportunities and access to resources, which in turn impacts their capacity to support their home country's economy. Many diaspora members feel alienated from their country of origin, both culturally and politically, resulting in a lack of engagement in national development (Sinatti & Horst, 2015). In some cases, diaspora members prefer to invest and engage in activities in the country where they reside, which is perceived as more stable and offering better opportunities (Brinkerhoff, 2011).

In the context of immigrant business actors as explained by Chen (2024), limited access to social networks in destination countries, language barriers, and structural discrimination are significant barriers to diasporas' full participation in the entrepreneurial ecosystem. The absence of good social integration has implications for the low adaptive capacity and resilience of the businesses they manage. In line with the study of Hasayotin (2024), which highlighted the importance of digital innovation and infrastructure to strengthen local economic resilience (in the context of SMEs in Pattaya), diasporas also face similar obstacles especially if the home country does not provide adequate technological infrastructure to establish cross-border connectivity, both for capital transfer, ideas, and business collaboration.

These various barriers have direct implications for the role of the diaspora in achieving economic resilience. From government policies and trust in institutions to socio-cultural challenges, all these factors interact and create complex challenges. Developing a comprehensive strategy involving the government, non-governmental organizations, and the diaspora community itself is crucial to ensuring that the diaspora can play an active and effective role in building stronger economic resilience, not only for themselves but also for the national economy.

3.3. The Role of Diaspora in Achieving Economic Resilience

Diaspora plays a crucial role in strengthening Indonesia's economic resilience, especially in the ever-growing context of globalization. The diaspora can contribute through remittances, investments, expanding trade networks, and supporting the development of small and medium enterprises (SMEs) in the homeland. Through their contributions, the diaspora not only has the potential to directly boost economic growth but also strengthens national economic resilience in facing various challenges.

The diaspora plays a vital role in promoting local products and helping SMEs penetrate international markets. By leveraging their networks in destination countries, the diaspora can introduce and market Indonesian products, thereby increasing the competitiveness of both domestic and international goods. This has implications for regional income growth and reducing unemployment rates through the creation of new job opportunities.

The involvement of the diaspora in economic activities is not without challenges, including access to information regarding business and investment opportunities in their

home country (Iyoega et al., 2022). Government support in providing effective communication channels and platforms for the diaspora to interact efficiently with local business actors will significantly help optimize their potential (Celetti, 2022). Strengthening networks among business actors allows the diaspora to contribute more actively in driving national economic resilience.

The role of information and communication technology is crucial in facilitating knowledge transfer from the diaspora. Eslit highlights how technology and social media enable the diaspora to stay connected with their home communities, accelerating the flow of information and collaboration (Eslit, 2023). Through digital platforms, the diaspora can share knowledge and experiences in real-time, providing direct solutions to problems faced by their home country.

This becomes even more relevant when considering the impact of global crises, such as the COVID-19 pandemic, which has shaken many economies worldwide. In such situations, the diaspora has the capability to mobilize resources and knowledge to help their home country recover from crises. The diaspora contributes not only through remittances but also by sharing strategies adopted during crises in their residing countries to expedite recovery in their homeland (Miner et al., 2023)

During periods of economic uncertainty, remittances from abroad emerge as a crucial financial support source for many families. Emam (2024) reports that remittances can function as a macroeconomic stabilizer, helping national economies recover from shocks. This indicates that remittances can assist countries in facing challenges and enhancing economic resilience against various domestic and international disruptions.

In the context of national economic resilience, remittances serve as a vital signal of a country's economic health. High remittances indicate strong community networks and effective communication channels between migrant workers and their families back home (Romlin, 2021). This connectivity strengthens economic resilience by creating financial reserves that can be utilized in times of crisis.

Understanding the role of remittances in economic resilience cannot be separated from government policy frameworks. The government needs to formulate policies that support effective remittance management, such as providing financial education to remittance recipients so they can invest the funds wisely (Suryaningrum et al., 2023). Additionally, facilitating access to banking and other financial institutions for remittance recipients can enhance productivity and establish structured spending plans.

The impact of remittances on national economic resilience is also evident in how they stimulate the agricultural sector. The use of remittances to improve productivity in this sector is crucial, given Indonesia's reliance on agriculture for food security and job creation (Dewi et al., 2022). Alongside government programs that support sustainable agriculture, remittances can serve as a catalyst to strengthen food security and overall economic resilience.

Overall, remittances play a crucial role in national economic resilience, but their success depends significantly on appropriate policies and the ability of families and individuals to utilize received resources wisely and creatively.

Thus, remittances are not merely financial inflows; they are an essential instrument contributing to a country's economic resilience. In addressing ever-changing challenges, the role of remittances in strengthening investments, improving quality of life, and helping mitigate economic crises must be an integral part of sustainable economic recovery and growth plans.

To strengthen economic resilience and promote sustainable development, optimizing diaspora policies is necessary (Abiltaevich, 2023). It is important for the government to design

policies that are supportive and integrated with national economic strategies. One crucial aspect of optimizing the role of the diaspora is developing inclusive policies, where diaspora contributions are recognized and well-managed. According to research by Haryono, Indonesia's economic diplomacy can provide a framework supporting diaspora engagement in national development programs (Haryono, 2019).

Integrating diaspora policies with national economic policies is a strategic step that can stimulate Indonesia's economic growth and strengthen economic resilience. The Indonesian diaspora, spread across various parts of the world, holds great potential as a driver of investment, remittance flows, and business network development. However, to maximize this potential, synergy is required between policies aimed at the diaspora and national economic policies. The government needs to formulate policies that facilitate diaspora participation in investments in Indonesia. Foreign direct investment (FDI) policies integrated with sustainable development principles should prioritize investment inflows from the diaspora. This aligns with the 2019-2030 Strategic Investment Plan, which aims to reduce poverty, improve healthcare access, and create employment opportunities (Ilham, 2024). By integrating diaspora policies into investment regulations, the government can create a more conducive environment for diaspora investors.

Furthermore, remittance development must also be a focus of national economic policy. Remittances from the diaspora can serve as a significant source of funding for families in Indonesia. However, for these remittances to be optimally utilized, policies that facilitate the transfer process and the use of these funds by recipients in Indonesia are needed. Additionally, enhancing support for SMEs is another key element in this policy integration (Verreyne et al., 2023). The diaspora can play a role in expanding markets for Indonesian SMEs through their networks abroad. National economic policies should include programs that enable the diaspora to invest in and assist SMEs in developing their products. Through training, knowledge transfer, and marketing support, SMEs can improve the quality and competitiveness of their products, enabling them to enter international markets (Khulaili Harsya & Lubis, 2023).

The success of integrating diaspora policies with national economic policies heavily depends on government efforts to develop mutually reinforcing policies. By leveraging the potential of the Indonesian diaspora and formulating strategic and inclusive policies, Indonesia can enhance economic resilience and achieve sustainable growth.

The role of the diaspora in national economic resilience has significant implications for Indonesia's development policies and strategies. The government must design policies that encourage diaspora participation in domestic investment and business development, such as tax incentives for investments in strategic sectors and streamlined business licensing processes. Additionally, strengthening financial and digital infrastructure is crucial to facilitate remittances and cross-border business transactions. Collaboration with the private sector in developing digital platforms that connect the diaspora with investment opportunities and local MSMEs can enhance the effectiveness of their contributions to the national economy.

Integrative policies should also be translated into specific operational measures, such as the development of a Diaspora Engagement Index (DEI) that measures the extent of diaspora engagement in priority sectors. The government can also develop a Diaspora Investment Fund (DIF) that facilitates investment projects with medium-low risk levels for budding diasporas. In addition, the implementation of knowledge return fellowship schemes such as those of India and South Korea can be adopted to facilitate the mobility of diaspora experts to domestic institutions within a certain duration, with training incentives, research funding, and other social incentives.

Beyond financial aspects, diaspora engagement also impacts local economic competitiveness. The promotion of Indonesian products in global markets by the diaspora requires the government to improve the quality of MSME products, enhance global standardization, and strengthen national branding. By leveraging diaspora networks as promotional agents and international distributors, Indonesia can expand its export market and reduce reliance on imports. Therefore, close coordination between the government, business actors, and the diaspora is essential to ensure strategic and inclusive policies that reinforce national economic resilience.

4. Conclusion

This study concludes that the Indonesian diaspora has a strategic role in strengthening national economic resilience through various contributions such as remittances, knowledge and technology transfer, foreign direct investment, and the development of international economic networks. These contributions have an impact on microeconomic stability through improving household welfare and strengthening MSMEs, as well as supporting macroeconomic resilience by increasing foreign exchange reserves and encouraging innovation-based growth. These findings directly answer the research objectives, which are to analyze the role of the diaspora in realizing national economic resilience and identify the obstacles faced in the process. However, this research has limitations because it is entirely based on literature studies so that the results do not directly reflect empirical conditions. Therefore, further research with an empirical approach is needed to verify and strengthen these findings in the field.

This research reveals the existence of various obstacles that hinder the optimization of the role of the diaspora, such as regulatory mismatches, complex bureaucracy, social stigma, and the lack of effective mechanisms to connect the diaspora with national development needs. The absence of an integrated policy strategy means that the potential of the diaspora has not been maximized, in contrast to other countries such as China and India which have been more proactive in developing policies that support the role of the diaspora as development assets. Based on these findings, policy recommendations need to be formulated in a systematic and targeted manner, taking into account the actors involved and the implementation timeframe. In the short term, the government needs to simplify the bureaucratic process, build an accurate diaspora data collection system, and provide fiscal incentives to encourage diaspora investment. The private sector is encouraged to establish partnerships with diaspora businesses and open access to global markets for local MSMEs. On the other hand, diaspora communities can increase their contribution through digital platforms to share knowledge and support local business initiatives.

Meanwhile, for the long term, the government needs to formulate diaspora policies that are integrated with national economic strategies, adopt international best practices, and build a collaborative ecosystem between the diaspora and various domestic sectors. Research and higher education institutions can establish research and innovation cooperation with diasporas, while the international sector can encourage regional cooperation within the framework of migration policies and diaspora engagement. Thus, the Indonesian diaspora is not just an overseas community, but a development actor that has great potential in driving social, technological and economic transformation in a sustainable manner. Inclusive, targeted, and collaborative policy formulation is essential so that diaspora contributions can be maximized to strengthen national economic resilience amidst evolving global dynamics.

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