

MIGRANT ENTREPRENEURIAL CAPITAL (MEC) MODEL: INTEGRATING HUMAN, SOCIAL, AND PSYCHOLOGICAL CAPITAL FOR SUSTAINABLE ECONOMIC EMPOWERMENT OF RETURN MIGRANTS IN INDONESIA

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Abstract: Return migrants accumulate skills, networks, and resilience abroad, yet many fail to achieve sustainable economic reintegration because support systems address these resources in isolation. This study proposes and tests the Migrant Entrepreneurial Capital (MEC) model, which integrates human capital, social capital, and psychological capital as a configurational basis for return migrant entrepreneurship. A convergent mixed-methods design was applied in Kebumen Regency, Central Java, through a partnership between the Migrant Resources Center of Universitas Muhammadiyah Purwokerto and PT Bryna Sukses Abadi, a labour placement company. Data were collected through a structured MEC Assessment Questionnaire, in-depth interviews, focus group discussions, and field observation. Hypotheses were tested with correlation analysis, independent-sample tests, discrimination analysis, and an exact test of capital configuration. The three capital dimensions are positively interrelated. Return migrants who run a business hold significantly higher human, social, and psychological capital than those who do not. The integrated MEC score discriminates business ownership better than any single dimension, and returnees who are strong in all three dimensions are far more likely to run a business. Qualitative evidence reveals strong bonding networks but weak bridging and linking capital, unrecognised skills, and psychological disorientation after return. The study offers an empirically grounded, configurational model of migrant entrepreneurial capital and translates it into design principles for integrated reintegration programmes for migrant protection agencies, universities, and placement companies.

Kata kunci: Migrant Entrepreneurial Capital; Return Migration; Human Capital; Social Capital; Psychological Capital; Entrepreneurship; Indonesia

INTRODUCTION

International labour migration has become a central economic strategy for millions of households across Asia. Remittances now exceed foreign direct investment in many developing countries, yet the gains of migration often fade after workers return home (McAuliffe & Oucho, 2024; Ratha et al., 2023). Research on return migration consistently shows that returnees face economic, social, and psychological difficulties in re-establishing their lives (Cassarino, 2004; Gmelch, 1980; Kuschminder, 2017). The growing digitalisation of labour markets adds a new layer of vulnerability for workers whose skills were formed in routine jobs abroad (Brougham & Haar, 2020; Dwivedi et al., 2023).

Indonesia is among the world's largest labour-sending countries, and Central Java is one of its main regions of origin (BP2MI, 2024). Kebumen Regency sends large numbers of

women to domestic work in Malaysia, Hong Kong, and Taiwan and men and women to factory work in East Asia. Upon return, many migrants spend their savings on housing and consumption, struggle to find stable income, and feel disconnected from their communities (Adams & Cuecuecha, 2010; Kuschminder, 2017). Existing reintegration programmes in Indonesia remain fragmented and short-term, offering either capital assistance, technical training, or counselling, but rarely all three together, although community-based mentoring models for Indonesian migrant workers have recently begun to emerge (Zuhaena et al., 2026).

The core problem is that return migrants' entrepreneurial potential rests on several forms of capital that are seldom developed together. Human capital in the form of skills and knowledge raises the likelihood and success of entrepreneurship (Davidsson & Honig, 2003; Unger et al., 2011; Wahba, 2015). Social capital provides access to information, markets, and finance (Davidsson & Honig, 2003; Portes & Sensenbrenner, 1993; Wahba & Zenou, 2012). Psychological capital, comprising hope, efficacy, resilience, and optimism, sustains effort under uncertainty (Baluku et al., 2016; Hmieleski et al., 2015; Luthans et al., 2007).

Capital theories explain how these dimensions are connected. Human capital theory treats skills as investable assets (Becker, 1964), social capital theory treats relationships as resources embedded in networks (Bourdieu, 1986; Coleman, 1988; Putnam, 2000), and psychological capital theory treats positive psychological states as developable resources (Luthans et al., 2007). Entrepreneurial capital research suggests that these resources jointly, rather than separately, shape venture creation (Erikson, 2002; Hmieleski et al., 2015; Newman et al., 2014).

Prior studies leave several gaps. The first empirical gap is that research on returnee entrepreneurship emphasises savings and work experience while neglecting psychological resources (Démurger & Xu, 2011; Dustmann & Kirchkamp, 2002; McCormick & Wahba, 2001). The second empirical gap is that psychological capital has been studied mainly among employees in formal organisations rather than migrant workers (Avey et al., 2011; Luthans et al., 2007; Newman et al., 2014). The third empirical gap is the limited evidence from Southeast Asian sending communities, where reintegration support is weak (Kuschminder, 2017; Wahba, 2015; Zuhaena et al., 2026).

The first methodological gap is the reliance on household surveys that cannot measure social and psychological capital directly (Piracha & Vadean, 2010; Wahba & Zenou, 2012; Woodruff & Zenteno, 2007). The second methodological gap is the tendency to estimate capital dimensions as separate additive predictors rather than as configurations (Fiss, 2011;

Hmieleski et al., 2015; Unger et al., 2011). The third methodological gap is the scarcity of mixed-methods designs that combine measurement with participants' own accounts (Creswell & Plano Clark, 2018; Kemmis et al., 2014; Kuschminder, 2017).

The first conceptual gap is that migration studies treat returnees' resources mainly as financial and human capital, overlooking psychological resources and identity (Cassarino, 2004; Côté, 1996; Luthans et al., 2007). The second conceptual gap is that the distinction between bonding, bridging, and linking social capital is rarely applied to returnees (Putnam, 2000; Szreter & Woolcock, 2004; Woolcock, 1998). The third conceptual gap is the absence of an integrated model specifying how the three forms of capital reinforce each other in migrant entrepreneurship (Erikson, 2002; Hmieleski et al., 2015; Portes et al., 2002).

This study extends Hmieleski et al. (2015), who examined human, social, and psychological capital among founding chief executives, and Wahba and Zenou (2012), who analysed returnee entrepreneurship and social capital. The extension is warranted because the former did not address migrants and the latter did not consider psychological capital. The objective is to test the interrelation of the three capital dimensions and their association with business ownership among return migrants, and to develop the Migrant Entrepreneurial Capital model. The research is an output of the partnership between the Migrant Resources Center of Universitas Muhammadiyah Purwokerto and PT Bryna Sukses Abadi under the RIKUB 2026 programme.

The novelty is a configurational model of migrant entrepreneurial capital grounded in data from an Indonesian sending community. The study contributes to capital theory by integrating three capital forms and to practice by offering a blueprint for integrated reintegration programmes.

THEORETICAL Background and Hypothesis Development

Integrated Capital Theory

The MEC model rests on three capital theories. Human capital theory views knowledge and skills as assets that yield returns when invested and applied (Becker, 1964; Schultz, 1961). Migrants accumulate such capital abroad through work experience, language, and occupational discipline (Chiswick, 1978; Dustmann & Kirchkamp, 2002). Social capital theory views relationships as resources embedded in networks (Bourdieu, 1986; Coleman, 1988). Putnam (2000) distinguishes bonding ties within homogeneous groups from bridging ties across groups, while linking ties connect individuals to formal institutions (Szreter &

Woolcock, 2004; Woolcock, 1998). Weak, bridging ties are especially valuable for accessing new information (Granovetter, 1973).

Psychological capital theory views hope, efficacy, resilience, and optimism as a higher-order positive state that can be developed and that predicts performance (Luthans et al., 2007). Identity capital, the ability to construct a coherent self-narrative, complements these resources during life transitions (Côté, 1996). The MEC model integrates these theories. It treats entrepreneurial capacity as emerging from the joint presence of the three forms of capital, consistent with the view that entrepreneurial capital is a combination of competence and commitment (Erikson, 2002) and that founders' human, social, and psychological capital jointly shape entrepreneurial action (Hmieleski et al., 2015). The model is configurational: it expects outcomes to depend on combinations of capital rather than on any single form (Fiss, 2011).

Hypothesis Development

Interrelation of the three capital dimensions

Human capital helps individuals build and use networks, because skilled people are more attractive partners and better able to exploit information (Baron & Markman, 2003; Davidsson & Honig, 2003). Competence developed through experience also raises self-efficacy and optimism (Bandura, 1997; Luthans et al., 2007). Social support and network membership, in turn, strengthen resilience and hope during adversity (Newman et al., 2014; Zuhaena et al., 2025). Psychological resources encourage people to invest in learning and to approach others for help (Avey et al., 2011; Luthans et al., 2007).

The MEC model posits that the three forms of capital amplify each other (Erikson, 2002; Hmieleski et al., 2015). Social capital theory adds that networks are both a product and a source of individual capabilities (Bourdieu, 1986; Coleman, 1988).

Studies of entrepreneurs report positive associations among human, social, and psychological capital (Baluku et al., 2016; Hmieleski et al., 2015). Research on nascent entrepreneurs also finds that human and social capital develop together during venture creation (Davidsson & Honig, 2003), and organisational research shows that psychological capital correlates with skills and social resources (Avey et al., 2011; Newman et al., 2014).

Drawing on these arguments, the three capital dimensions are expected to be positively related among return migrants. The first hypothesis is formulated as follows.

H1: Human, social, and psychological capital are positively interrelated among return

migrants.

Human capital and business ownership

Human capital raises the probability of entering and succeeding in entrepreneurship (Davidsson & Honig, 2003; Unger et al., 2011). Returnees' overseas experience provides skills and knowledge that support self-employment (Dustmann & Kirchkamp, 2002; McCormick & Wahba, 2001). The transferability of foreign-acquired skills to home markets is, however, conditional on recognition and fit (Wahba, 2015; Williams & Baláž, 2005).

Human capital theory predicts that those with more skills earn higher returns from their investments, including business ventures (Becker, 1964; Schultz, 1961). The MEC model treats technical, transferable, financial, and digital competencies as the human capital component of entrepreneurial capacity (Erikson, 2002).

Meta-analytic evidence links human capital to entrepreneurial success (Unger et al., 2011). Studies of return migrants in China, Albania, and Egypt likewise associate skills acquired abroad with self-employment (Démurger & Xu, 2011; Piracha & Vadean, 2010; Wahba & Zenou, 2012).

On the basis of this evidence, returnees who run a business are presumed to hold more human capital. The second hypothesis is:

H2: Return migrants who run a business have higher human capital than those who do not.

Social capital and business ownership

Social capital gives entrepreneurs access to information, customers, suppliers, and finance (Davidsson & Honig, 2003; Portes & Sensenbrenner, 1993). Migrant networks lower the costs of business creation through information and trust (Massey et al., 1993; Woodruff & Zenteno, 2007). Returnees with stronger ties at home are more likely to become entrepreneurs (Wahba & Zenou, 2012). Transnational ties can also open markets abroad (Portes et al., 2002; Saxenian, 2006).

Social capital theory distinguishes ties that provide solidarity from ties that provide new resources (Granovetter, 1973; Putnam, 2000). The MEC model expects bridging and linking ties to be especially valuable for returnees seeking markets and finance (Szreter & Woolcock, 2004; Woolcock, 1998). Evidence from nascent entrepreneurs shows that social capital predicts progress in venture creation (Davidsson & Honig, 2003). Returnee studies

associate network strength with self-employment (Wahba & Zenou, 2012), and transnational entrepreneurs rely heavily on cross-border ties (Portes et al., 2002).

Following this reasoning, returnees who run a business should hold more social capital. The third hypothesis proposed is:

H3: Return migrants who run a business have higher social capital than those who do not.

Psychological capital and business ownership

Entrepreneurship involves uncertainty, setbacks, and the risk of failure (Cacciotti et al., 2016). Hope, efficacy, resilience, and optimism help individuals persist under such conditions (Luthans et al., 2007). Entrepreneurial self-efficacy predicts intention and action (Chen et al., 1998; Zhao et al., 2005). Return migrants frequently face loss of purpose and identity confusion, which undermine these resources (Côté, 1996; Kuschminder, 2017). Psychological capital theory treats positive psychological states as resources that predict effort and performance (Luthans et al., 2007; Newman et al., 2014). The MEC model adds migration-specific resilience and identity capital as components that allow returnees to interpret migration as a source of strength (Côté, 1996).

Studies of entrepreneurs show that psychological capital strengthens the link between start-up capital and success (Baluku et al., 2016) and supports entrepreneurial action under uncertainty (Hmieleski et al., 2015). Meta-analyses confirm links between psychological capital and performance (Avey et al., 2011).

Given these findings, returnees who run a business are expected to show higher psychological capital. The fourth hypothesis is stated as follows.

H4: Return migrants who run a business have higher psychological capital than those who do not.

Integrated capital and business ownership

Entrepreneurial capital is more than the sum of separate resources (Erikson, 2002). Founders' human, social, and psychological capital operate jointly, and their relative importance varies with context (Hmieleski et al., 2015). Configurational research shows that outcomes often depend on combinations of conditions rather than on single variables (Fiss, 2011). The MEC model posits synergy: human capital enhances the use of networks and confidence, social capital provides resources and support, and psychological capital sustains effort (Bandura, 1997; Erikson, 2002; Luthans et al., 2007). An integrated measure should

therefore capture entrepreneurial capacity better than any single dimension. Studies combining capital forms explain entrepreneurial outcomes better than single-capital models (Baluku et al., 2016; Davidsson & Honig, 2003; Hmieleski et al., 2015).

Consequently, the integrated MEC score and the joint presence of all three forms of capital are expected to distinguish business owners most clearly. The fifth hypothesis is:

H5: Integrated migrant entrepreneurial capital distinguishes business ownership more strongly than any single capital dimension.

METHOD

The study used a convergent mixed-methods design (Creswell & Plano Clark, 2018) with a participatory orientation (Kemmis et al., 2014). It was conducted from February to July 2026 in six sub-districts of Kebumen Regency as part of the RIKUB 2026 consortium programme of the Migrant Resources Center of Universitas Muhammadiyah Purwokerto and PT Bryna Sukses Abadi. The partner provided community access, field validation, and facilitation.

The survey covered 165 respondents, comprising 127 return migrants and 38 prospective migrants, selected purposively through partner networks and village officials. Qualitative data came from 42 in-depth interviews, eight focus group discussions with 87 participants, and structured observation in six villages. The MEC Assessment Questionnaire used five-point Likert items and was piloted with 15 return migrants. Dimension statistics are reported for all return migrants, while hypotheses were tested on the anonymised individual records of 30 return migrants released from the confidential database.

Table 1. Operational definitions and measurement of variables

Variable	Operational definition	Indicators	Scale
Human capital	Competencies acquired and usable for business	Technical skills; transferability; foreign language; financial literacy; digital literacy; technology readiness	Likert 1–5
Social capital	Network resources available to the returnee	Bonding ties; community participation; bridging ties; information access; community trust; linking ties	Likert 1–5

Variable	Operational definition	Indicators	Scale
Psychological capital	Positive psychological resources for entrepreneurship	Entrepreneurial self-efficacy; resilience; optimism; hope; toughness from migration; persistence	Likert 1–5
MEC score	Integrated entrepreneurial capital	Mean of the three dimensions	1–5
Business ownership	Currently running a business	Yes or no	Dichotomous

The first hypothesis was tested with Pearson correlations. The second to fourth hypotheses were tested with Welch’s t-tests, confirmed by one-sided Mann–Whitney tests, with Cohen’s d as effect size (Cohen, 1988). The fifth hypothesis was tested by comparing the area under the receiver operating characteristic curve of each dimension and the MEC score, and by Fisher’s exact test of whether returnees at or above the median on all three dimensions were more likely to run a business. Interview and discussion data were analysed thematically (Braun & Clarke, 2006). The significance level was 0.05.

RESULT

Profile of Return Migrants

The 127 return migrants were predominantly women (81.9%) aged 25–44 (78.0%) with junior or senior secondary education (76.4%). Most had worked in Malaysia (41.0%), Hong Kong (28.3%), or Taiwan (18.9%), mainly as domestic workers (54.3%) or factory operators (30.7%). Only 24.4% ran a business, and a further 14.2% had closed one. Their finances were fragile: 35.4% described their income as insufficient or reported debt. Only 18.9% had used migration savings as business capital, while 29.9% had spent them on housing or land, 22.0% on children’s education, 17.3% on daily consumption, and 11.8% reported that their savings had been exhausted unproductively.

Capital Profile

All three dimensions were at a moderate level (Table 2). Within human capital, technical skills from abroad scored highest and digital literacy lowest. Within social capital, bonding ties among fellow migrants were strong, whereas bridging and linking ties were weak. Within psychological capital, hope and toughness gained from migration were relatively

strong, while resilience after return was the weakest component. Entrepreneurial intention exceeded all three capital dimensions.

Table 2. MEC dimensions and selected components (return migrants, scale 1–5)

Dimension and component	Mean	SD
Human capital	3.41	0.72
Technical skills from abroad	3.78	0.81
Financial literacy	3.38	0.83
Digital literacy	2.87	0.88
Social capital	3.18	0.68
Bonding ties with fellow migrants	3.89	0.74
Community trust	3.61	0.77
Bridging ties	2.93	0.91
Linking ties with institutions	2.98	0.94
Psychological capital	3.24	0.70
Toughness from migration experience	3.71	0.72
Hope	3.64	0.75
Entrepreneurial self-efficacy	3.38	0.84
Resilience after return	2.91	0.89
MEC score	3.28	0.65
Entrepreneurial intention	3.52	0.74

The capital profile segmented returnees into five groups (Table 3). Most returnees fell into the moderate and moderate–low groups, and only a small minority reached a high level.

Table 3. Segmentation by MEC level

MEC level	Score range	%	Typical profile
Low	< 2.50	12.6	Primary education, under two years abroad, adverse experiences abroad
Moderate–low	2.50–3.00	28.3	Junior secondary education, two to four years abroad, strong bonding ties only
Moderate	3.00–3.50	39.4	Senior secondary education, business idea not yet realised

MEC level	Score range	%	Typical profile
Moderate–high	3.50–4.00	15.7	Senior secondary or diploma, business running
High	> 4.00	3.9	Diploma or degree, several destinations, established business

Hypothesis Testing

The individual records comprised 30 return migrants, 11 of whom ran a business. All three dimensions were positively and significantly correlated (Table 4), supporting the first hypothesis. The association between human and psychological capital was very strong, while the association between human and social capital was moderate.

Table 4. Correlations among capital dimensions (n = 30)

Pair	r	p	Decision
Human capital – social capital	0.47	0.009	Supported
Human capital – psychological capital	0.91	< 0.001	Supported
Social capital – psychological capital	0.65	< 0.001	Supported

Business owners scored significantly higher than non-owners on every dimension, with large effect sizes (Table 5; Welch's t-tests and one-sided Mann–Whitney U tests). The second, third, and fourth hypotheses are supported.

Table 5. Capital by business ownership (owners n = 11; non-owners n = 19)

Hyp.	Dimension	Owners M (SD)	Non-owners M (SD)	t	p	U test p	d	Result
H2	Human capital	3.83 (0.16)	3.20 (0.43)	5.73	< 0.001	< 0.001	1.94	Supported
H3	Social capital	3.39 (0.20)	3.07 (0.20)	4.07	< 0.001	< 0.001	1.54	Supported
H4	Psychological capital	3.51 (0.19)	3.03 (0.24)	6.10	< 0.001	< 0.001	2.24	Supported
—	MEC score	3.58 (0.17)	3.10 (0.23)	6.47	< 0.001	< 0.001	2.35	—

The integrated MEC score discriminated business ownership better than any single dimension (Table 6). Social capital was the weakest single discriminator. Configuration analysis showed

that 9 of the 11 returnees who were at or above the median on all three dimensions ran a business, compared with 2 of the 19 who were not (Fisher's exact $p < 0.001$; odds ratio = 38.25). The fifth hypothesis is supported.

Table 6. Discrimination of business ownership (n = 30)

Predictor	Area under the curve	Rank
MEC score (integrated)	0.962	1
Psychological capital	0.938	2
Human capital	0.928	3
Social capital	0.856	4

Qualitative Findings

Thematic analysis yielded three themes that explain the quantitative pattern. The first theme, “rich there, poor here”, captures a reverse economic shock. A former domestic worker in Hong Kong explained (R-023, female, 35): “There I could send five million rupiah a month. Here, getting one million from a small business is already a blessing, even though the effort is the same. The difference is that here there is no regular salary to rely on.” Loss of purpose (61.4%), anxiety about the economic future (74.0%), and identity confusion (53.5%) were widespread.

The second theme, “many networks, but I do not know what to use them for”, captures the social capital paradox. Returnees held between 187 and 342 migrant contacts on their phones, yet 91.3% had never used them for business. Access to formal institutions was rarely converted into use: 78.7% had a bank account, but only 33.1% used it beyond saving, and only 7.9% had any contact with a university.

The third theme, “I am strong, but nobody believes in me”, captures unrecognised capital. A former caregiver in Hong Kong said (R-013, female, 34): “I used to care for sick people alone in a foreign country. Nobody helped. I managed. Now I want a small business loan and I am rejected because I have no collateral, even though I have proven I can be responsible.” Among returnees, 78.7% held technical skills that were not formally certified. Family motivation (89.8%), overcoming hardship abroad (74.0%), peer support (61.4%), and religious faith (58.3%) were the main sources of strength.

The MEC Model

Based on the quantitative and qualitative findings, the MEC model specifies three dimensions, their components, and three synergy mechanisms (Table 7). Capital amplification describes how competence raises confidence and makes returnees more attractive network partners. Resource bridging describes how bridging and linking ties provide information, markets, and finance that allow skills and confidence to be used. Sustained motivation describes how hope, efficacy, and resilience maintain effort through the setbacks of early business.

Table 7. The Migrant Entrepreneurial Capital model

Dimension	Components	Main gap observed	Intervention focus
Human capital	Technical skills, transferable skills, financial literacy, digital readiness	Uncertified skills; weak digital and financial capability	Skills recognition and certification; financial and digital training
Social capital	Bonding, bridging, and linking ties	Strong bonding but weak bridging and linking ties	Network activation; business groups; links to banks, cooperatives, universities, and agencies
Psychological capital	Self-efficacy, resilience, optimism, hope, identity capital	Weak resilience after return; loss of purpose	Identity reconstruction; peer support; mastery-based confidence building
Synergy mechanisms	Capital amplification, resource bridging, sustained motivation	Programmes address dimensions in isolation	Integrated, sequenced programmes delivered by multi-actor partnerships

Discussion

The support for the first hypothesis shows that human, social, and psychological capital move together among return migrants. This pattern is consistent with the amplification mechanism proposed by the MEC model and with research showing that entrepreneurs' capital forms are mutually reinforcing (Baluku et al., 2016; Hmieleski et al., 2015). The very strong link between human and psychological capital suggests that competence and confidence develop together: returnees who recognise their skills also feel more capable and hopeful, consistent with mastery experience as the main source of efficacy (Bandura, 1997).

The more moderate link between human and social capital indicates that skills do not automatically translate into useful networks. Many returnees are skilled yet socially confined to bonding ties, which echoes the observation that the quality and strategic use of social capital matter more than its quantity (Cassarino, 2004).

The support for the second hypothesis confirms that human capital is associated with business ownership among returnees. This is consistent with human capital theory (Becker, 1964) and with meta-analytic evidence that human capital predicts entrepreneurial success (Unger et al., 2011). It also aligns with returnee studies in China, Albania, and Egypt (Démurger & Xu, 2011; Piracha & Vadean, 2010; Wahba & Zenou, 2012). The descriptive profile, however, reveals that returnees' strongest human capital lies in technical skills from abroad, while their weakest lies in digital and financial capabilities. The skills that migrants acquire are real but often uncertified and poorly matched to local business requirements, a problem of transferability that the literature has long noted (Wahba, 2015; Williams & Baláž, 2005).

The support for the third hypothesis shows that social capital is associated with business ownership, although it is the weakest single discriminator. The capital profile explains why. Returnees possess strong bonding capital, including dense ties with fellow migrants and high community trust, but weak bridging and linking capital. Bonding ties provide emotional support but rarely new market information or finance, whereas bridging and linking ties connect returnees to customers, lenders, and programmes (Granovetter, 1973; Putnam, 2000; Szreter & Woolcock, 2004). The paradox of large but unused networks shows that social capital becomes entrepreneurial only when it is activated. This refines the view that returnee networks promote entrepreneurship (Wahba & Zenou, 2012) by specifying that the type of tie matters.

The support for the fourth hypothesis confirms that psychological capital is strongly associated with business ownership. Returnees who run businesses report more self-efficacy, optimism, hope, and resilience. This is consistent with research linking psychological capital to entrepreneurial outcomes (Baluku et al., 2016; Hmieleski et al., 2015) and to performance more generally (Avey et al., 2011). The descriptive profile adds an important nuance: returnees draw considerable toughness and hope from their migration experience, yet their resilience after return is weak. Strength forged abroad does not automatically carry over to the different challenges of reintegration, such as loss of purpose, identity confusion, and the absence of a regular wage. Identity capital helps explain this gap: returnees who cannot

integrate migration into a coherent narrative may experience it as a rupture rather than a resource (Côté, 1996).

The support for the fifth hypothesis is the central contribution of the study. The integrated MEC score distinguished business owners more clearly than any single dimension, and returnees strong in all three dimensions were far more likely to run a business. This supports the configurational logic of the model (Fiss, 2011) and the view that entrepreneurial capital is a combination of resources rather than a sum of independent parts (Erikson, 2002). It also extends Hmieleski et al. (2015), who examined the three forms of capital among established founders, by showing that the same integration matters among vulnerable return migrants. For practice, the implication is direct: programmes that strengthen one dimension while neglecting the others are unlikely to produce the configuration associated with enterprise.

The configuration result also helps explain why many returnees with substantial resources do not run businesses. A returnee may possess strong technical skills but lack bridging ties to customers, or hold dense networks but lack the confidence to use them. The descriptive profile shows exactly this pattern: technical skills, bonding ties, and toughness from migration are relatively strong, while digital capability, bridging and linking ties, and resilience after return are weak. Entrepreneurial capacity appears to be limited by the weakest dimension rather than raised by the strongest, which implies that programmes should diagnose each returnee's capital profile and target the missing elements.

The qualitative findings clarify the mechanisms behind the statistical pattern. The reverse economic shock explains why returnees with strong toughness still feel insecure: the loss of a regular wage undermines confidence even when skills are intact. The social capital paradox explains why social capital discriminates least: networks exist but are not used for business. The theme of unrecognised strength explains why linking capital is weak: institutions do not recognise the competence and responsibility that migration demonstrates, as illustrated by loan rejection for lack of collateral. Together, these themes show that the barriers facing returnees are not deficits of character but failures of recognition and connection.

For the Ministry of Protection of Indonesian Migrant Workers (KP2MI/BP2MI), the findings argue against fragmented reintegration programmes that provide capital, training, or counselling in isolation. The evidence for integrated capital supports programmes that simultaneously recognise and certify skills, build bridging and linking networks, and

strengthen psychological resources. Credit assessment for returnees could recognise migration records as evidence of reliability rather than relying solely on physical collateral.

For universities, the partnership between the Migrant Resources Center and PT Bryna Sukses Abadi shows the value of structures that combine academic expertise with community access and industry links. Such centres can themselves serve as linking capital, connecting returnees with institutions they would otherwise not reach.

For placement companies and local governments, the findings highlight the potential of informal migrant networks. With modest facilitation, these networks can be converted into business groups, cooperatives, and digital marketing channels at low cost. Placement companies, which interact with migrants before departure and after return, can also integrate MEC assessment into pre-departure training so that capital-building begins before migration rather than after its gains have been spent.

CONCLUSION

This study proposes and tests the Migrant Entrepreneurial Capital model, which integrates human, social, and psychological capital as a configurational basis for return migrant entrepreneurship. The three dimensions are positively interrelated, each is associated with business ownership, and their integration distinguishes business owners more clearly than any single dimension. Return migrants possess strong technical skills, bonding ties, and toughness forged abroad, but these resources remain underused because of weak digital and financial capabilities, weak bridging and linking ties, and fragile resilience after return. Theoretically, the study integrates three capital theories into a configurational model and specifies the mechanisms through which they reinforce each other in migrant entrepreneurship. Practically, it offers a blueprint for integrated reintegration programmes delivered through partnerships among migrant protection agencies, universities, placement companies, and local governments.

The study has several limitations. Hypotheses were tested on a small subsample of anonymised individual records, which limits statistical power and generalisability. The design is cross-sectional, so the direction of the relationship between capital and business ownership cannot be established; running a business may itself build capital. The sample was drawn purposively from a single regency, and capital was measured through self-reports. Dimension scores were analysed as composites without confirmatory factor analysis.

Future research should validate the MEC instrument through confirmatory factor analysis on the full dataset and test the model with structural equation modelling or fuzzy-set qualitative comparative analysis. Longitudinal studies should follow returnees through MEC-based training to assess whether integrated capital-building increases business creation and survival. Comparative research across regions, destination countries, and genders would clarify the generality of the model, and extensions could incorporate emerging challenges such as anxiety about artificial intelligence, platform work, and climate-related migration.

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