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Entrepreneurial Dynamics Of Indonesian Migrant Workers (Pmi) After South Korea In Building Msmes In Cilacap Regency

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Abstract

Cilacap Regency is one of the largest sending regions for Indonesian Migrant Workers (PMI), many of whom establish Micro, Small, and Medium Enterprises (MSMEs) after returning from South Korea. This study aims to analyze the entrepreneurial dynamics experienced by former Indonesian migrant workers in developing MSMEs, focusing on the opportunities utilized and the challenges encountered during their economic transition. This research employed a qualitative approach using a descriptive case study design. Informants were selected purposively, consisting of former migrant workers who had managed MSMEs for at least two years. Data were collected through in-depth interviews, observations, and documentation, and analyzed using the interactive model of Miles, Huberman, and Saldaña. The findings reveal that entrepreneurial dynamics are driven by financial capital accumulated through remittances, a disciplined work ethic, and technical skills acquired during employment in South Korea. However, entrepreneurs also encounter significant constraints, including limited financial management literacy, restricted market access, and psychological challenges in transitioning from wage employment to business ownership. The study concludes that sustainable MSME development among former migrant workers depends on business adaptability and integrated support from local government institutions.

Keywords: Entrepreneurial Dynamics, Indonesian Migrant Workers, MSMEs, South Korea, Cilacap.

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INTRODUCTION

International labor migration has become one of the most significant socio-economic phenomena in developing countries. For many countries, including Indonesia, overseas employment serves not only as an employment strategy but also as an important contributor to national economic development through remittances, poverty reduction, and human capital accumulation. Remittances generated by migrant workers contribute substantially to household income, increase consumption, improve educational attainment, and create opportunities for productive investment in local economies. Beyond financial resources, migrant workers also return with valuable knowledge, technical skills, professional discipline, and international work experience that may strengthen entrepreneurial capacity in their home regions (International Organization for Migration [IOM], 2022; World Bank, 2023).

Indonesia is among the largest labor-sending countries in Southeast Asia. According to the Indonesian Migrant Workers Protection Agency (BP2MI), hundreds of thousands of Indonesian Migrant Workers (PMI) are deployed abroad annually, contributing billions of US dollars in remittances that significantly support Indonesia's foreign exchange reserves. These remittances represent one of the country's largest sources of non-oil foreign exchange earnings and have become an essential instrument for improving household welfare, reducing regional poverty, and stimulating local economic activities. Nevertheless, several studies indicate that remittance utilization remains predominantly consumptive rather than productive, thereby limiting its long-term contribution to sustainable regional economic development (BP2MI, 2024; Bank Indonesia, 2023).

Among various destination countries, South Korea has become one of the most attractive labor markets for Indonesian migrant workers. Since the implementation of the Employment Permit System (EPS), South Korea has offered relatively high wages, comprehensive labor protection, structured vocational training, and opportunities for skill enhancement. Unlike many other destination countries, employment in South Korea emphasizes industrial discipline, productivity, quality control, teamwork, and technological adaptation. Consequently, returning migrant workers possess not only accumulated financial capital but also intangible assets such as managerial discipline, work ethics, technical competencies, and problem-solving abilities that potentially facilitate entrepreneurial development after returning to Indonesia (Korea Employment Information Service, 2023; OECD, 2022).

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Cilacap Regency is recognized as one of the largest migrant worker sending regions in Central Java. Every year, thousands of residents migrate overseas, particularly to East Asian countries such as South Korea, Taiwan, and Japan. The continuous flow of returning migrant workers has created a substantial accumulation of financial capital and human resources within local communities. This situation provides considerable opportunities to transform migration experiences into productive economic activities through the establishment of Micro, Small, and Medium Enterprises (MSMEs). However, despite possessing sufficient financial resources, many former migrant workers continue to experience economic instability after returning because business establishment requires not only capital but also entrepreneurial competencies, market access, and effective business management (BPS Kabupaten Cilacap, 2024; BP2MI, 2024).

Entrepreneurship has increasingly been recognized as an effective strategy for ensuring sustainable livelihoods among former migrant workers. MSMEs play a strategic role in Indonesia's economy by generating employment opportunities, promoting regional development, and contributing significantly to national Gross Domestic Product (GDP). For former migrant workers, entrepreneurship represents an opportunity to transform migration-generated savings into productive investments while simultaneously creating employment opportunities within their local communities. However, entrepreneurial success depends upon multiple factors, including entrepreneurial orientation, financial literacy, innovation capability, social networks, institutional support, and adaptive business strategies (OECD, 2023; Tambunan, 2022).

The transition from migrant worker to entrepreneur is a multidimensional process involving economic, psychological, and social adaptation. Former migrant workers frequently encounter substantial challenges in shifting from the relatively structured environment of industrial employment in South Korea to the highly uncertain and competitive business environment in Indonesia. This transition requires entrepreneurs to acquire new managerial competencies, including financial planning, marketing strategies, human resource management, customer relationship management, and digital business capabilities. Moreover, entrepreneurial success also depends upon psychological readiness, particularly regarding risk tolerance, decision-making, and resilience in facing business uncertainty (Shane, 2020; Nabi et al., 2017).

Several previous studies have examined migrant entrepreneurship from different perspectives. Existing research generally focuses on the economic contribution of remittances, household welfare improvement, poverty reduction, and migrant reintegration programs. Other studies emphasize the relationship between migration

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experience and entrepreneurial intention, suggesting that overseas employment enhances entrepreneurial confidence through knowledge transfer and skill acquisition. Nevertheless, empirical evidence concerning how former migrant workers experience entrepreneurial dynamics after returning from South Korea remains relatively limited, particularly regarding the interaction between opportunities and constraints during business development in local contexts (Naudé et al., 2017; Wahba & Zenou, 2012).

Furthermore, previous studies have predominantly employed quantitative approaches that measure the economic impact of remittances or entrepreneurial performance using statistical indicators. Although these studies provide valuable macroeconomic insights, they often fail to explain the complex processes through which former migrant workers transform financial capital, work experience, and social capital into sustainable entrepreneurial practices. Qualitative understanding regarding adaptive strategies, business resilience, psychological transformation, and institutional support remains insufficient, especially within the context of post-pandemic economic recovery and rapid digital transformation affecting MSMEs.

Based on these considerations, a significant research gap exists concerning the entrepreneurial dynamics experienced by former Indonesian migrant workers returning from South Korea. Limited studies have comprehensively explored how migration-generated resources interact with local institutional conditions, entrepreneurial capabilities, and market environments in shaping business sustainability. Therefore, this study seeks to examine the entrepreneurial dynamics of former Indonesian migrant workers from South Korea in developing MSMEs in Cilacap Regency through a qualitative descriptive case study. The findings are expected to contribute theoretically to entrepreneurship and migration studies while providing practical recommendations for government agencies in designing more effective entrepreneurship development programs for former migrant workers.

LITERATURE REVIEW

Entrepreneurial Dynamics among Former Indonesian Migrant Workers

Entrepreneurship is widely recognized as one of the principal drivers of economic growth, employment creation, and regional development. Entrepreneurs play a strategic role in transforming available resources into productive economic activities through innovation, opportunity recognition, and value creation. According to Shane (2020), entrepreneurship involves identifying and exploiting business opportunities under conditions of uncertainty while mobilizing available resources to generate sustainable

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competitive advantage. In the context of developing countries, entrepreneurship also functions as an important mechanism for poverty reduction and local economic empowerment through the establishment and expansion of Micro, Small, and Medium Enterprises (MSMEs).

Former Indonesian Migrant Workers (PMI Purna) possess unique entrepreneurial potential because they accumulate both financial and non-financial resources during overseas employment. Migration enables workers to generate remittances while simultaneously acquiring valuable work experience, technical competencies, industrial discipline, and cross-cultural knowledge. These accumulated resources constitute forms of human capital that may significantly influence entrepreneurial performance after returning to their home countries. Becker (1993) argues that investments in education, training, and work experience enhance individuals' productivity and economic performance by increasing their stock of human capital. Consequently, migration should not be viewed solely as labor mobility but also as a process of human capital accumulation that can stimulate entrepreneurial development.

Remittances represent another important resource supporting entrepreneurial activities among former migrant workers. The World Bank (2023) defines remittances as financial transfers sent by migrant workers to their families or communities in their countries of origin. Beyond improving household welfare, remittances may serve as productive investment capital for establishing businesses, expanding existing enterprises, and generating employment opportunities within local communities. However, previous studies indicate that the developmental impact of remittances depends largely on how financial resources are utilized. Productive investment in entrepreneurship generally generates greater long-term economic benefits than consumption-oriented expenditure (International Organization for Migration [IOM], 2022).

The entrepreneurial transition experienced by former migrant workers is closely associated with the process of transforming migration-generated resources into sustainable business activities. This transition requires entrepreneurs to integrate financial capital, technical competencies, managerial capability, innovation, and adaptive decision-making. According to the Resource-Based View (RBV), sustainable competitive advantage originates from valuable, rare, inimitable, and organizationally embedded resources rather than financial capital alone (Barney, 1991). Therefore, entrepreneurial success among former migrant workers depends not only on accumulated remittances but also on the effective utilization of knowledge, work ethics, business skills, and organizational capabilities acquired during overseas employment.

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Migration also facilitates knowledge transfer between destination and origin countries. During employment abroad, migrant workers are exposed to modern production systems, quality management practices, organizational discipline, technological applications, and customer-oriented business cultures. These experiences constitute tacit knowledge that can be transferred to newly established enterprises after returning home. Nonaka and Takeuchi (1995) explain that organizational knowledge develops through continuous interaction between explicit and tacit knowledge, allowing individuals to create innovation and improve organizational performance. In the context of former migrant workers, entrepreneurial learning emerges through the adaptation of overseas industrial experience to local business environments.

Despite these opportunities, previous studies have identified numerous challenges affecting entrepreneurial sustainability among former migrant workers. Limited financial literacy, inadequate managerial competencies, restricted access to financial institutions, weak business networks, and insufficient market information frequently constrain business growth (Tambunan, 2022). Furthermore, entrepreneurship requires substantial psychological adaptation because former migrant workers must transition from relatively stable wage employment to uncertain self-employment. This transition involves increased exposure to business risks, fluctuating income, and independent decision-making, all of which require entrepreneurial resilience and self-efficacy (Bandura, 1997; Shane, 2020).

Micro, Small, and Medium Enterprises (MSMEs) provide an important institutional platform through which former migrant workers transform migration experiences into sustainable economic activities. MSMEs contribute significantly to employment generation, income distribution, and regional economic resilience in Indonesia. However, maintaining MSME competitiveness requires continuous innovation, digital transformation, effective financial management, and strong institutional support. The OECD (2023) emphasizes that MSME sustainability increasingly depends upon entrepreneurial capability, market connectivity, technological adoption, and collaborative support from government agencies, financial institutions, universities, and business development organizations.

Although numerous studies have examined migration, remittances, and entrepreneurship separately, relatively limited research has explored the entrepreneurial dynamics of former Indonesian migrant workers returning specifically from South Korea. Existing studies predominantly employ quantitative approaches focusing on remittance utilization, household welfare, or employment outcomes, while providing limited explanation regarding how migration-generated resources are transformed into

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entrepreneurial practices. Therefore, this study addresses this research gap by examining the interaction between entrepreneurial opportunities and business challenges experienced by former Indonesian migrant workers in developing MSMEs in Cilacap Regency through a qualitative case study approach.

RESEARCH METHOD

This study employed a qualitative research approach using a descriptive case study design to explore the entrepreneurial dynamics experienced by former Indonesian Migrant Workers (PMI Purna) from South Korea in establishing and managing Micro, Small, and Medium Enterprises (MSMEs) in Cilacap Regency. A qualitative approach was considered appropriate because the study aimed to understand the participants' experiences, perceptions, motivations, and adaptive strategies during the transition from migrant workers to entrepreneurs. Qualitative research enables researchers to investigate complex social phenomena within their natural settings and provides in-depth explanations of how and why particular phenomena occur (Creswell & Poth, 2018; Yin, 2018).

A descriptive case study was adopted because the research focused on a contemporary phenomenon situated within a real-life context. The case study approach facilitates an intensive examination of entrepreneurial experiences among former migrant workers while considering the economic, social, and institutional environments influencing business development. This approach also allows multiple sources of evidence to be integrated in order to obtain a comprehensive understanding of the research problem (Yin, 2018).

The research was conducted in Cilacap Regency, Central Java, Indonesia, one of the largest migrant worker-sending regions in Indonesia. The selection of this research site was based on three considerations. First, Cilacap has consistently recorded a high number of Indonesian migrant workers deployed overseas, particularly to South Korea under the Employment Permit System (EPS). Second, the regency has a relatively large number of former migrant workers who have established MSMEs after returning to Indonesia. Third, the diversity of business sectors operated by former migrant workers provides a rich empirical context for examining entrepreneurial dynamics across different types of enterprises.

The participants were selected using purposive sampling, a non-probability sampling technique commonly employed in qualitative research to identify individuals possessing relevant knowledge and experience regarding the phenomenon under

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investigation (Patton, 2015). The inclusion criteria for the primary participants were as follows:

a. Former Indonesian migrant workers who had legally worked in South Korea under the Employment Permit System (EPS);
b. Individuals who had returned permanently to Indonesia and had established and managed their own MSMEs for a minimum of two years;
c. Business owners operating within major migrant-worker communities in Cilacap Regency, particularly in Majenang, Sidareja, Kesugihan, Kroya, and Binangun districts.

To strengthen the credibility of the findings through source triangulation, additional key informants were recruited from relevant institutions, including officials from the Department of Manpower and Industrial Affairs of Cilacap Regency, representatives of former migrant worker associations, and local business development facilitators who possessed substantial knowledge regarding migrant entrepreneurship programs.

Data collection was conducted over several months using three complementary techniques to ensure data richness and trustworthiness. The primary technique involved semi-structured in-depth interviews, allowing participants to describe their entrepreneurial experiences, business motivations, utilization of remittances, managerial practices, opportunities, challenges, and adaptive strategies. Semi-structured interviews provided flexibility for probing participants' responses while maintaining consistency across interviews (Kvale & Brinkmann, 2015).

The second technique involved non-participant observation of business operations. Observations focused on production activities, customer interactions, financial management practices, business facilities, employee involvement, and daily entrepreneurial routines. Field notes were recorded systematically to complement interview findings and to understand entrepreneurial practices within their natural business settings.

The third technique consisted of document analysis, including business profiles, financial records where available, photographs, government reports, local statistical publications, entrepreneurship program documents, and other relevant archival materials. Documentary evidence was used to verify interview findings and provide contextual information regarding the development of MSMEs among former migrant workers.

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To ensure the trustworthiness of the research, several validation strategies were implemented. These included method triangulation, source triangulation, member checking, and prolonged engagement in the research field. Member checking was conducted by returning interview summaries to selected participants to confirm the accuracy of interpretations and reduce researcher bias. Triangulation across interviews, observations, and documentary evidence enhanced the credibility and dependability of the research findings (Lincoln & Guba, 1985).

The collected data were analyzed using the interactive model developed by Miles, Huberman, and Saldaña (2014). The analysis involved three interrelated stages conducted iteratively throughout the research process. The first stage, data condensation, involved selecting, simplifying, coding, and organizing relevant information obtained from interviews, observations, and documents. The second stage, data display, consisted of presenting organized information through narrative descriptions, thematic matrices, and conceptual categorizations to facilitate interpretation. The final stage involved drawing and verifying conclusions, during which emerging themes were continuously compared across different data sources until coherent patterns and meaningful interpretations regarding entrepreneurial dynamics among former Indonesian migrant workers were established.

Overall, this methodological approach enabled the researchers to obtain a comprehensive understanding of how former Indonesian migrant workers transformed migration experiences, financial resources, and acquired competencies into entrepreneurial activities while simultaneously addressing various economic, managerial, and psychological challenges during business development.

RESULT

The findings reveal that the entrepreneurial experiences of former Indonesian Migrant Workers (PMI Purna) from South Korea are characterized by a continuous interaction between entrepreneurial opportunities and business challenges. Analysis of the interview data identified two major themes: entrepreneurial opportunities and entrepreneurial challenges. Each theme consists of several sub-themes that describe participants' experiences during the transition from overseas employment to MSME ownership.

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Entrepreneurial Opportunities

Interview findings demonstrate that former migrant workers possess several competitive advantages that support business establishment and sustainability. Three dominant opportunities emerged from the data, namely financial capital accumulation, transfer of work ethic and organizational culture, and technical competencies acquired during overseas employment.

Financial Capital Accumulated Through Remittances

The majority of participants reported that savings accumulated during their employment in South Korea constituted the primary source of business capital. Unlike many first-time entrepreneurs who depend on commercial loans or family borrowing, former migrant workers were generally able to establish their businesses using personal savings. This financial independence reduced initial financial risk and enabled participants to invest directly in productive assets such as buildings, machinery, vehicles, and production equipment.

Several participants explained that working in South Korea enabled them to accumulate substantial savings because of relatively high wages and disciplined financial management. Rather than immediately purchasing consumptive goods after returning to Indonesia, they intentionally allocated their remittances toward establishing sustainable business ventures.

One participant explained:

> *"I had planned to start a business before returning to Indonesia. Most of my savings from South Korea were reserved as business capital rather than being used for daily consumption."*

The findings indicate that remittances function not only as household income but also as productive investment capital capable of generating long-term economic benefits for migrant households.

Transfer of Work Ethic and Organizational Culture

Another important opportunity identified in this study concerns the transfer of work values acquired during employment in South Korea. Nearly all participants acknowledged that their entrepreneurial behavior was strongly influenced by Korean industrial culture, particularly regarding discipline, punctuality, responsibility, productivity, cleanliness, and quality orientation.

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Participants emphasized that these values became important competitive advantages after establishing MSMEs. Daily business activities were managed according to systematic work schedules, production targets, and quality control procedures similar to those practiced in Korean companies.
One participant stated:

> *"Working in Korea changed my mindset. Every activity must be scheduled, products must meet quality standards, and customers should never be disappointed."*

Another participant explained that discipline had become part of his personal identity and significantly influenced employee management within his business.

Overall, interview findings suggest that migration generated not only financial capital but also valuable human capital that positively influenced entrepreneurial performance.

Technical Skills and Entrepreneurial Competencies

The third opportunity emerging from the interviews concerns technical knowledge and practical skills acquired during overseas employment. Participants reported learning various operational procedures related to production efficiency, equipment utilization, workplace safety, inventory management, teamwork, and problem-solving.

Several respondents adapted these experiences to improve business operations after returning to Indonesia. Innovations included production workflow improvements, customer service enhancement, inventory organization, and quality assurance practices.

One respondent explained:

> *"Although my current business is different from the factory where I worked, many management principles can still be applied."*

These findings indicate that migration contributes to entrepreneurial development through the transfer of tacit knowledge and practical competencies that enhance business competitiveness.

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Entrepreneurial Challenges

Despite possessing significant entrepreneurial resources, participants also encountered numerous obstacles during business development. Three major challenges emerged from the interview analysis, namely financial management limitations, restricted market access, and psychological adaptation to entrepreneurship.

Financial Management Limitations

The most frequently reported challenge involved inadequate financial management practices. Although participants possessed sufficient start-up capital, many admitted experiencing difficulties managing business finances systematically.

Several entrepreneurs reported mixing household expenditures with business transactions, resulting in inaccurate financial records and difficulties evaluating business performance. Formal bookkeeping practices remained limited, and many financial decisions were based primarily on personal experience rather than structured financial planning.

One participant commented:

> *"Sales are good, but sometimes I don't know how much profit I actually make because household expenses are mixed with business money."*

These findings suggest that financial literacy represents one of the most critical constraints affecting business sustainability among former migrant workers.

Limited Market Networks

Another significant challenge concerns limited marketing capacity and restricted market access. Most participants initially relied on family members, neighbors, and local communities as their primary customer base.

Although some entrepreneurs had begun utilizing social media platforms for promotion, digital marketing strategies remained relatively underdeveloped. Participants also reported limited experience in branding, product differentiation, online marketplace utilization, and business networking.

One entrepreneur explained:

> *"The products are good, but finding new customers is much more difficult than producing them."*

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Consequently, business growth was often constrained by relatively narrow marketing channels and dependence on local demand.

Psychological Adaptation During Entrepreneurial Transition

The final challenge identified relates to psychological adaptation from salaried employment to business ownership. Participants described considerable uncertainty during the early stages of entrepreneurship because business income fluctuated considerably compared with the stable monthly salaries received while working in South Korea.

Several respondents admitted experiencing anxiety regarding business failure, declining sales, and financial losses. They also emphasized that becoming an entrepreneur required stronger self-confidence, independent decision-making, and greater tolerance for business risk.

One participant stated:

> *"When working in Korea, I received a fixed salary every month. Running a business is completely different because income is uncertain."*

Despite these psychological pressures, most participants reported gradually developing greater confidence as their businesses expanded and entrepreneurial experience increased.

DISCUSSION

The findings of this study demonstrate that the entrepreneurial dynamics of former Indonesian Migrant Workers (PMI Purna) from South Korea are shaped by the interaction between financial resources, human capital, entrepreneurial competencies, and institutional support. Rather than depending solely on accumulated remittances, successful entrepreneurship emerges through the ability of former migrant workers to transform migration-acquired resources into productive business activities. This finding supports the resource-based perspective, which argues that competitive advantage is generated not merely from tangible assets but also from valuable intangible resources such as knowledge, experience, and organizational capabilities (Barney, 1991).

One of the most significant findings concerns the productive utilization of remittances as entrepreneurial capital. Unlike households that primarily allocate

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remittances for consumption, most participants invested their accumulated savings in establishing MSMEs. This finding confirms previous studies suggesting that remittances can become an important source of productive investment capable of stimulating local economic development when accompanied by entrepreneurial orientation and appropriate financial decision-making (World Bank, 2023; IOM, 2022). However, the findings also indicate that financial capital alone cannot guarantee business sustainability. Several participants acknowledged experiencing difficulties in financial planning and bookkeeping, demonstrating that entrepreneurial success depends equally on managerial capability. This result is consistent with OECD (2023), which emphasizes that financial literacy is one of the most important determinants of SME sustainability and long-term business growth.

Another important finding is the transfer of work values acquired during employment in South Korea. Participants consistently reported that industrial discipline, punctuality, productivity orientation, commitment to quality, and responsibility became embedded in their entrepreneurial practices after returning to Indonesia. These values represent a form of human and social capital accumulated through international labor migration. Such findings support Human Capital Theory, which suggests that education, work experience, and skills acquired through employment increase individual productivity and economic performance (Becker, 1993). In addition, the results align with studies indicating that international migration contributes not only to financial capital accumulation but also to the transfer of knowledge, work culture, and managerial competencies that enhance entrepreneurial performance (Naudé et al., 2017).

The study also reveals that technical competencies acquired abroad facilitate business innovation and operational efficiency. Participants adapted industrial production techniques, quality assurance procedures, workplace organization, and customer service practices learned in South Korea to improve their businesses in Indonesia. This finding supports the concept of knowledge transfer, whereby migration functions as a channel through which tacit knowledge, technical expertise, and organizational routines are transferred from developed economies to local enterprises in migrants' countries of origin (Nonaka & Takeuchi, 1995). Consequently, migration generates not only economic benefits but also innovation capacity that strengthens the competitiveness of MSMEs.

Despite possessing these advantages, former migrant workers continue to face substantial structural constraints during business development. Limited financial management capability emerged as one of the most common challenges reported by participants. Many entrepreneurs admitted that they lacked systematic bookkeeping

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practices and frequently combined household expenditures with business finances. Similar findings have been reported by Tambunan (2022), who argues that managerial limitations remain among the principal factors constraining the growth of Indonesian MSMEs. Without adequate financial management, entrepreneurs experience difficulties evaluating profitability, planning investments, and maintaining business sustainability.

Restricted market access constitutes another important obstacle identified in this study. Most participants relied heavily on local customers and informal marketing networks, while relatively few had successfully adopted digital marketing strategies or expanded into broader regional markets. These findings indicate that business growth is influenced not only by production capacity but also by entrepreneurs' ability to develop market networks, utilize digital technology, and build strategic partnerships. Previous studies similarly emphasize that MSME competitiveness increasingly depends upon digital transformation, innovation capability, and market connectivity in an increasingly competitive business environment (OECD, 2023).

Furthermore, this study highlights the psychological dimension of entrepreneurial transition, an aspect that has received relatively limited attention in previous migration studies. Participants described considerable uncertainty when shifting from stable salaried employment in South Korea to self-employment in Indonesia. Anxiety regarding business failure, unstable income, and investment risk frequently influenced entrepreneurial decision-making during the initial stages of business establishment. These findings support entrepreneurial transition theory, which suggests that psychological readiness, resilience, self-efficacy, and risk tolerance are essential determinants of entrepreneurial persistence and business success (Shane, 2020; Bandura, 1997). Therefore, successful reintegration of former migrant workers requires not only financial resources but also psychological preparedness and continuous entrepreneurial learning.

The findings also demonstrate the importance of institutional support in facilitating sustainable entrepreneurship among former migrant workers. Participants acknowledged the need for greater assistance in business management, financial literacy, marketing strategies, digital entrepreneurship, licensing procedures, and access to financing. This suggests that government intervention should extend beyond migration protection policies by incorporating integrated entrepreneurship development programs. Local governments, financial institutions, universities, business associations, and former migrant worker organizations should collaborate to establish mentoring systems that

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strengthen entrepreneurial capabilities throughout the post-migration reintegration process.

From a theoretical perspective, this study extends existing migration and entrepreneurship literature by demonstrating that entrepreneurial dynamics among former migrant workers are multidimensional, involving the interaction of economic capital, human capital, social capital, institutional support, and psychological adaptation. Previous research has largely emphasized the macroeconomic contribution of remittances, whereas this study illustrates how migration-generated resources are transformed into entrepreneurial practices within specific local contexts. Consequently, this research contributes to a more comprehensive understanding of migrant entrepreneurship by integrating economic, managerial, and socio-psychological perspectives.

From a practical perspective, the findings provide important implications for policymakers responsible for migrant worker reintegration and MSME development. Entrepreneurship programs for former migrant workers should emphasize comprehensive capacity building rather than focusing exclusively on capital assistance. Business mentoring, financial management training, digital marketing education, innovation development, and institutional networking should become integral components of post-return empowerment programs. Such integrated interventions are expected to improve the sustainability and competitiveness of MSMEs established by former Indonesian migrant workers while simultaneously strengthening local economic development in migrant-sending regions such as Cilacap Regency.

CONCLUSION

This study explored the entrepreneurial dynamics of former Indonesian Migrant Workers (PMI Purna) returning from South Korea who have established Micro, Small, and Medium Enterprises (MSMEs) in Cilacap Regency. The findings demonstrate that entrepreneurial development among former migrant workers is characterized by the coexistence of significant opportunities and substantial challenges throughout the post-migration reintegration process.

The study reveals that remittances accumulated during overseas employment constitute an important source of productive capital for business establishment. In addition to financial resources, former migrant workers benefit from valuable human capital acquired in South Korea, including work discipline, productivity orientation, technical competencies, quality awareness, and problem-solving skills. These migration-

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generated resources provide competitive advantages that facilitate business creation and operational performance. However, the findings also indicate that entrepreneurial success cannot be attributed solely to financial capital. Sustainable business development depends on entrepreneurs' ability to transform migration experience into managerial competence, innovation capability, and adaptive business strategies.

Despite these strengths, former migrant workers continue to encounter several structural and individual constraints. Limited financial literacy, inadequate bookkeeping practices, restricted market access, and insufficient digital marketing capabilities remain important barriers to business expansion. Furthermore, the transition from stable wage employment to self-employment involves considerable psychological adjustment, particularly regarding risk tolerance, uncertainty management, and entrepreneurial confidence. These findings suggest that successful entrepreneurial reintegration requires the integration of economic, managerial, institutional, and psychological dimensions rather than relying exclusively on financial resources.

From a theoretical perspective, this study contributes to the literature on migration and entrepreneurship by demonstrating that entrepreneurial dynamics among former migrant workers are multidimensional and shaped by the interaction between economic capital, human capital, entrepreneurial competencies, and institutional support. The study extends previous research, which has predominantly emphasized the macroeconomic contribution of remittances, by providing qualitative evidence on how migration-acquired resources are transformed into entrepreneurial practices within the local context of MSME development.

From a practical perspective, the findings imply that entrepreneurship development programs for former migrant workers should move beyond capital assistance alone. Local governments, financial institutions, universities, business development organizations, and migrant worker communities should collaborate to provide integrated support through entrepreneurship mentoring, financial literacy education, business management training, digital marketing assistance, innovation development, and market networking programs. Such collaborative initiatives are expected to strengthen the sustainability and competitiveness of MSMEs while maximizing the developmental impact of labor migration on regional economic growth.

This study is subject to several limitations. First, the research focuses exclusively on former Indonesian migrant workers returning from South Korea in Cilacap Regency; therefore, the findings may not fully represent entrepreneurial experiences in other migrant-sending regions or destination countries. Second, the qualitative case study

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design emphasizes in-depth understanding rather than statistical generalization. Future research is therefore encouraged to employ comparative studies across different regions, incorporate mixed-method approaches, or examine the long-term business performance of former migrant worker entrepreneurs using longitudinal research designs.

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