

**THE FEASIBILITY OF INDONESIAN DIASPORA BONDS: STUDY ON
NATIONALISM AND ROOT OF ORIGINS**

THESIS



RIFA NABILLAH NURKAYUNGYUN

1151004055

**POLITICAL SCIENCE DEPARTMENT
FACULTY OF ECONOMICS AND SOCIAL SCIENCES**

UNIVERSITAS BAKRIE

JAKARTA

2019

**THE FEASIBILITY OF INDONESIAN DIASPORA BONDS:
STUDY ON NATIONALISM AND ROOT OF ORIGINS**

THESIS

Proposed as the requirement to receive Social Sciences Bachelor Degree.



RIFA NABILLAH NURKAYUNGYUN

1151004055

POLITICAL SCIENCE DEPARTMENT

FACULTY OF ECONOMICS AND SOCIAL SCIENCES

UNIVERSITAS BAKRIE

JAKARTA

2019

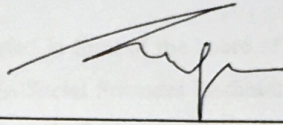
ORIGINALITY STATEMENT

This final assignment is an original work created by the author. Every information and data stated in the research is the result of other researchers in which the author has stated the data source correctly. Everything written in this final assignment is the full responsibility of the author.

Name : Rifa Nabillah Nurkayungyun

Student no. : 1151004055

Signature :



A handwritten signature in black ink, consisting of a large, sweeping initial 'R' followed by a series of connected loops and a vertical stroke at the end, all written over a horizontal line.

Date

: AUGUST, 12TH 2019

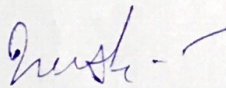
VALIDATION PAGE

This thesis is proposed by:

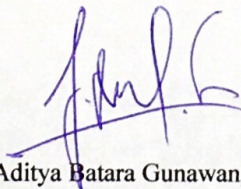
Name : Rifa Nabillah Nurkayungyun
Student No. : 1151004055
Major/Department : Political Science
Faculty : Faculty of Economics and Social Sciences
Thesis title : The Feasibility of Indonesian Diaspora Bonds:
Study on Nationalism and Root of Origins

This thesis has been successfully defended in front of the board of examiners and is accepted as the prerequisite to obtain Social Sciences Bachelor Degree of the Political Science Department, Faculty of Economics and Social Sciences, Universitas Bakrie.

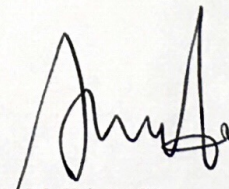
BOARD OF EXAMINERS



Prof. Rusadi
Kantaprawira
Advisor



Aditya Batara Gunawan,
S.Sos, M.Litt
Examiner 1



M. Tri Andika
Kurniawan, S.Sos, M.A
Examiner 2

Signed in : Jakarta

Date : 12 August 2019

WORDS OF GRATITUDE

I am very grateful for the blessing of Allah so I can finish this thesis. I also would like to say the biggest thank you for:

- 1) Prof. Rusadi Kantaprawira, as my advisor who is also my inspiration to keep striving for the best. Thank you for all the guidance and insights shared with me.
- 2) All of my interviewees from Indonesian Diaspora Network, especially Prof. Herry Utomo and Mr. Hamdan Hamedan for all the support and opportunities given to me so I can develop this research; from Mr. Antonius Dyan N. A., I very much appreciate your kindness to spare your time to have a discussion with me; Mr. Burmalis Ilyas, from Minang Diaspora Network-Global, thank you for introducing me to a very dedicated organization that loves to do organization so much. I am grateful for the opportunity to talk to you; Mrs. Dewi Wahab, from MoFA who is very helpful through my research process and spare time for me despite her busy agenda.
- 3) Mr. M. Tri Andika Kurniawan, as the head of Political Science department of Universitas Bakrie.
- 4) Mr. Aditya Batara Gunawan, as my thesis examiner for all the insights that you gave to me.
- 5) My parents and siblings – Mama, Papa, Fira, Rafi – who are always becoming my true spirit and motivation to keep doing the best.
- 6) My friends: Sherly, Dhanti, Pristi, Alba, Hasri, Finast, Dwi, Momon – who are my fellow fighter in the struggle to become Nations Jewel aka Mutiara Bangsa and my debating mate from EDS Bakrie – Ghina who is always listening and understanding. I miss you and all of our journey together.

I hope this thesis can lead me to excellent research that contributes to the betterment and development of Indonesia and social sciences.

August, 2019

Rifa Nurkayungyun

STATEMENT OF PUBLICATION APPROVAL

As one of academic community of Universitas Bakrie, I, who signed this page:

Name : Rifa Nabillah Nurkayungyun

Student No. : 1151004055

Major : Political Science

Faculty : Faculty of Economics and Social Sciences

Type of thesis : Academic Research

for the sake of science development, agree to give Universitas bakrie the **Non-Exclusive Royalty-Free Right** of my thesis under the title:

THE FEASIBILITY OF INDONESIAN DIASPORA BONDS: STUDY OF NATIONALISM AND ROOTS OF ORIGINS


and other devices (if needed). With this Non-Exclusive Royalty-Free Right, Universitas Bakrie has the right to keep, format, process in the form of database, maintain, and publicize my thesis as long as to keep my name as the author/creator and the owner of the copyright for academic purposes.

This statement I made with truth.

Created in : Jakarta

Date : 20 August 2019

Signed by,


(Rifa Nabillah Nurkayungyun)

**THE FEASIBILITY OF INDONESIAN DIASPORA BONDS: STUDY ON
NATIONALISM AND ROOT OF ORIGINS**

Rifa Nabillah Nurkayungyun

ABSTRACT

This research is conducted to determine the potential of diaspora bonds to be carried out to the Indonesian diaspora network abroad by looking at the influence of the emotional ties of a diaspora with its homeland. In addition, it will also be sought out how the influence of ethnic ties can affect the desire of the diaspora to invest in bonds made specifically for the Indonesian diaspora. The data to be used in this study come from interviews with diaspora, ministries, participant observation, secondary data from Indonesian diaspora networks and will be analyzed by comparing these data so that conclusions are drawn regarding the recommendation whether it is feasible to release diaspora bonds in Indonesia or not.

Key words: Indonesian diaspora bonds, nationalism, root of origins

TABLE OF CONTENTS

TITLE PAGE	ii
ORIGINALITY STATEMENT	iii
VALIDATION PAGE	iv
WORDS OF GRATITUDE	v
STATEMENT OF PUBLICATION APPROVAL	vi
ABSTRACT	vii
TABLE OF CONTENTS	viii
TABLE OF FIGURES	xii
TABLES	xii
FIGURES	xii
CHARTS	xii
FIELDNOTES	xiii
GLOSSARY	xv
CHAPTER 1 INTRODUCTION	1
1.1 Background	1
1.2 Literature Review	3
1.3 Research Questions	8
1.4 Research Purposes	8
1.5 Benefits of Research	9
1.6 The Scope of Research	9
1.7 Writing Structure	9
CHAPTER 2 THEORETICAL FRAMEWORK ON DIASPORA	10
2.1 New Institutionalism Theory	10
2.2 Diaspora and Migration	13
a) Diaspora in Realism perspective	18

b) Diaspora in Liberalism perspective.....	18
2.3 Bonds.....	19
2.4 Nationalism	21
2.5 Root of Origins	22
2.6 Operational Framework and Working Hypothesis.....	25
CHAPTER 3 SEARCHING FOR PROPER METHODOLOGY ON DIASPORA BONDS	26
3.1 Research Methodology	26
3.2 Data Collection Technique and Sources.....	27
3.3 Data Analysis Technique.....	30
• Analytic Induction Approach.....	30
• Secondary Analysis Approach	31
3.4 List of Potential Interviewees & Resources	31
CHAPTER 4 ELABORATION OF THE RESEARCH AND ANALYSIS REGARDING THE POSSIBILITY OF DIASPORA BONDS.....	32
4.1 The potential of Remittances from Indonesian Diaspora.....	32
4.2 Cultural Affinity & Nationalism	42
4.3 Diaspora Bonds	49
CHAPTER 5 THE POSSIBILITY OF INDONESIAN DIASPORA BONDS	57
5.1 Interpretation	57
Does nationalism and cultural affinity affect the desire of Indonesian diaspora to invest in diaspora bonds?	57
Suitable Campaign for Indonesian Diaspora Bonds.....	61
5.2 Implication.....	66
5.3 Limitations.....	69
CHAPTER 6 CONCLUDING REMARKS.....	70
6.1 Conclusion.....	70

Academic Conclusion.....	70
Practical Conclusion	71
6.2 Recommendation.....	73
Academic Recommendation.....	73
Practical Recommendation	73
References.....	77
FIELD NOTES	84
A. Interview with Ministry of Finance.....	84
• Details.....	84
• Approach Attempt	84
• Interview Transcript.....	87
B. Interview with Ministry of Foreign Affairs.....	100
• Details.....	100
• Approach Attempt	100
• Interview Transcript.....	100
C. Interview with Indonesian Diaspora Network-United	103
• Details.....	103
• Approach Attempt	103
• Interview Transcript.....	103
D. Interview with Minang Diaspora Network-Global.....	105
• Details.....	105
• Approach Attempt	105
• Interview Transcript.....	107
E. Focus Group Discussion on Indonesian Diaspora Policy	121
• Details.....	121

- **Data collected..... 121**
- F. Multi-Stakeholder Dialogue..... 122
- **Details 122**
- **Data collected..... 123**
- G. Other Attempts to Collect Data 131
- **Iwan Sunito, Indonesian Tycoon in Australia 131**
- **Nigerian Debt Management Office..... 132**
- **Chima Edomobi, Chief of Operations Officer at Debt Management Office, Nigeria..... 133**
- **Rayi Suhardiman, Staff at OJK..... 134**

TABLE OF FIGURES

TABLES

Table 1: The Operationalization of Concepts	30
Table 2: Achievement of Indonesian Tax Amnesty Up to March 2017 (Direktorat Jenderal Pajak Kementerian Keuangan, 2017)	35
Table 3 Top 15 International Migrant Stock (Source: KNOMAD).....	36
Table 4: List of Indonesian Diaspora Congresses.....	43
Table 5: Matrix for KMILN Issuance Problem Solving	62
Table 6: Result Of Working Group Discussion On KMILN Issuance Problem Solving	65

FIGURES

Figure 1: Study Mapping of The Feasibility of Indonesian Diaspora Bonds: Study on Nationalism and Root of Origins	7
Figure 2: Operational Framework of The Feasibility of Indonesian Diaspora Bonds	25
Figure 3: Indonesia Among World's Corruption perspective index 2018 (Transparency International, 2018).....	46
Figure 4: The Scheme of Bonds Selling Process	53
Figure 5: Role of Each Stakeholders in the Proposed High-Impact Diaspora Innovation Process (Waluyo, 2019).....	68

CHARTS

Chart 1: Indonesian Migrant Workers Remittance 2018 Based on Their Posting Countries (Source: Bank Indonesia & BNP2TKI) (Bank Indonesia, 2019)	32
Chart 2: Indonesia Remittance Inflow (2012 - 2018) (Source: Bank Indonesia & BNP2TKI).....	33
Chart 3: Remittance Inflow of Indonesia in 2009 - 2018 (Source: KNOMAD)...	33
Chart 4: Comparison of Tax Amnesty & Indonesia's Remittance 2015	35
Chart 5: Top 15 International Migrant Stock (KNOMAD, 2017)	36

Chart 6: Number of Indonesian Migrant Workers By Host Countries 2018 (Source: Bank Indonesia & BNP2TKI) 37

Chart 7: Top Destinations for Indonesian Migrants 2018 (Source: KNOMAD).. 37

Chart 8: Diaspora Household Income per Year 38

Chart 9: Remittance To Indonesia (Indonesian Diaspora Network-United, 2015)39

Chart 10: Indonesian Migrants' Highest Remittance Uses (World Bank, 2017) .. 40

Chart 11: The Main Remittances Channels Used by Migrant Workers (World Bank, 2017) 41

Chart 12: Visiting Indonesia (Indonesian Diaspora Network-United, 2015) 47

Chart 13: Diaspora Language Use with Parents (Indonesian Diaspora Network-United, 2015) 48

Chart 14: Diaspora Language Use with Children or Grand Children (Indonesian Diaspora Network-United, 2015)..... 48

Chart 15: Difficulties for Non-Indonesian Citizen Diaspora (Indonesian Diaspora Network-United, 2015) 54

Chart 16: Investing in Indonesia (Indonesian Diaspora Network-United, 2015) . 55

Chart 17: Investment and Assets in Indonesia (Indonesian Diaspora Network-United, 2015) 56

FIELDNOTES

Field Note 1: Approach Attempt to Directorate of Government Securities, Ministry Of Finance -- Sent in March 28th, 2019 84

Field Note 2: Approach Attempt to Directorate of Government Securities, Ministry Of Finance -- Sent in April 29th, 2019 (In Different Occassion) 85

Field Note 3: Approach Attempt to Directorate of Government Securities, Ministry Of Finance -- Sent in May 3rd, 2019 (1)..... 85

Field Note 4: Approach Attempt to Directorate of Government Securities, Ministry Of Finance -- Sent in May 3rd, 2019 (2)..... 86

Field Note 5: Approach Attempt to Directorate of Government Securities, Ministry Of Finance -- Sent in May 3rd, 2019 (3)..... 86

Field Note 6: Approach Attempt to Directorate of Government Securities, Ministry Of Finance -- Sent in May 3rd, 2019 (4)..... 87

Field Note 7: Approach Attempt to Ministry Of Foreign Affairs -- Sent in April 23rd, 2019	100
Field Note 8: Approach Attempt to Minang Diaspora Network-Global -- Sent in April 26th, 2019	105
Field Note 9: Approach Attempt to Minang Diaspora Network-Global -- Sent in May 3rd, 2019	106
Field Note 10: Approach Attempt to Minang Diaspora Network-Global -- Sent in May 4th, 2019 (1).....	106
Field Note 11: Approach Attempt to Minang Diaspora Network-Global -- Sent in April 26th, 2019 (2)	107
Field Note 12: Round Table Discussion Results on Socializing KMILN 1	123
Field Note 13: Round Table Discussion Results on Socializing KMILN 2	123
Field Note 14: Round Table Discussion Results on Socializing KMILN 3	124
Field Note 15: Round Table Discussion Results on Socializing KMILN 4	124
Field Note 16: Round Table Discussion Results on Socializing KMILN 5	125
Field Note 17: Approach Attempt to Iwan Sunito, Indonesian Diaspora Tycoon - Sent in February 25th, 2019	131
Field Note 18: Approach Attempt to Iwan Sunito, Indonesian Diaspora Tycoon - Sent in March 13th, 2019	132
Field Note 19: Approach Attempt to Nigerian Debt Management Office - Sent in July 13th, 2019	132
Field Note 20: Approach Attempt to Chima Edomobi, Chief of Operations Officer at Debt Management Office - Sent in July 17th, 2019.....	133
Field Note 21: Approach Attempt to Chima Edomobi, Chief of Operations Officer at Debt Management Office - Sent in July 18th, 2019.....	133
Field Note 22: Question to Rayi Suhardiman, staff at OJK- Sent in July 16th & 19th, 2019.....	134

GLOSSARY

KMILN

Kartu Masyarakat Indonesia di Luar Negeri. Indonesian diaspora card.

KTP

Kartu Tanda Penduduk. National identity card.

MoFA

Ministry of Foreign Affairs.

NIK

Nomor Induk Kependudukan. National personal identity number.

NIT

Nomor Induk Tunggal. Single identity number, kind of NIK for KMILN holder.

OJK

Otoritas Jasa Keuangan. Indonesian Financial Service Authority.

SBR

Saving Bond Retail.