



## The Narrative of "Foreign Exchange Hero" in Hermeneutics and Spiritual Accounting Perspective: A Case Study of Timor-Leste 2015–2025

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**Abstract**

**Background:** Labor migration from Timor-Leste increased substantially during 2015–2025, driven by limited domestic employment opportunities and low industrial capacity. The resulting remittance inflows have given rise to the “foreign exchange hero” (*pahlawan devisa*) narrative, which frames migrant workers as national economic contributors while potentially obscuring the exploitation, family separation, and weak legal protections they experience.

**Objective:** This study examines narrative surrounding low-skilled labor and the “foreign exchange hero” (*pahlawan devisa*) label attached to Timorese migrant workers during the 2015–2025 period through the perspectives of social hermeneutics and spiritual accounting.

**Methods:** Using a qualitative-interpretive approach and a literature review, this research analyzes secondary data from SEFOPE, ILO, World Bank, BCTL, and academic journals published between 2015 and 2025. The hermeneutic analysis follows Gadamer’s concept of the fusion of horizons and Ricoeur’s narrative interpretation framework, complemented by Habermas’s theory of communicative action.

**Results:** The findings indicate that: (1) the term “foreign exchange hero” is a symbolic construction that carries ideological meaning and reflects economic power relations; (2) such heroic narratives risk concealing the realities of suffering, exploitation, and injustice experienced by low-skilled migrant workers; and (3) the spiritual accounting perspective affirms that a nation’s economic success cannot be measured solely by remittance volume, but also by the state’s capacity to protect the welfare, rights, and dignity of its citizens.

**Conclusion:** This study recommends national development strategies that are not dependent on the export of cheap labor but are instead oriented toward domestic job creation, educational strengthening, and humane labor policies.

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### INTRODUCTION

The phenomenon of labor migration in Timor-Leste during the 2015–2025 period has increased significantly. Limited domestic employment opportunities, low national industrial capacity, and high unemployment rates have driven the working-age population to seek employment abroad, mainly in Australia, South Korea, the United Kingdom, and several other Asian countries. The majority of these workers belong to the unskilled labor category and work in

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the agricultural, plantation, construction, domestic work, and informal service sectors.

Emigration data show that the number of Timorese citizens working or living abroad continues to increase. In 2015, the number of Timorese emigrants was recorded at approximately 37,325 people, increasing to around 39,588 people in 2020, with Australia and Indonesia as the main destinations (Lin et al., 2024; United Nations Department of Economic and Social Affairs, 2020). The labor mobility programs of the Government of Timor-Leste, implemented through SEFOPE (Secretariat of State for Vocational Training and Employment), also show an increasing trend. In 2025, approximately 8,840 Timorese workers were recorded as working in Australia and 791 in South Korea, with total remittances exceeding US\$15 million in one year (TATOLI, 2026).

The increase in these remittances has given rise to a social narrative that migrant workers are the nation's "foreign exchange heroes" (*pahlawan devisa*). Timor-Leste's remittance receipts increased from approximately US\$61.6 million in 2015 to more than US\$85 million in 2017, while the cumulative total from 2018 to 2025 exceeded US\$101 million (Bank, 2024). However, behind this heroic narrative lies a complex social reality: many unskilled migrant workers face job insecurity, labor exploitation, cultural alienation, family separation, and inadequate legal protection (ILO, 2021; Triandafyllidou, 2023).

In this context, the term "foreign exchange hero" needs to be understood not merely as an economic expression but as a social and political construct that shapes how society views migrant workers. From a hermeneutic perspective, this language is not neutral but is shaped by power relations among the state, the global labor market, and the economic system (Bream, 2026; Gadamer, 1989). Meanwhile, the spiritual accounting perspective holds that human beings should not be reduced to mere foreign exchange figures (Mafikah et al., 2023; Triuwono, 2006).

Hermeneutics as a method for interpreting texts and social reality developed through a philosophical tradition shaped by Friedrich Schleiermacher, Wilhelm Dilthey, Hans-Georg Gadamer, and Paul Ricoeur. Gadamer (1989), in *Truth and Method*, asserts that understanding a phenomenon is always influenced by the historical context, tradition, and social horizon of the interpreter (Bream, 2026). The meaning of a term does not stand alone but is always related to the socio-historical situation behind it.

Habermas (1984), through his theory of communicative action, explains that language not only functions as a communication tool but also as an instrument for shaping social legitimacy and power (Bakti et al., 2026). Therefore, labor terms such as "unskilled," "foreign exchange hero," or "economic mobility" need to be critically examined to uncover the ideological interests hidden behind them.

Paul Ricoeur (1981), through his concept of symbol and narrative interpretation, provides a methodological foundation for this study (Peitsinis et al., 2025). Ricoeur argues that social narratives are not merely stories but representations of power structures, values, and human life experiences that need to be interpreted in depth.

In the context of this study, Gadamer's hermeneutic method is applied to interpret how the term "foreign exchange hero" acquires meaning within Timor-Leste's specific socio-historical horizon, namely, the post-independence nation-building project and the state's fiscal dependence on remittance inflows. Habermas's (1984) framework is used to analyze how official government communications and policy documents deploy heroic language to construct social consensus around labor-export policies, while Ricoeur's narrative theory provides the interpretive tools for examining how the heroic narrative selectively foregrounds economic contribution and conceals the lived experiences of exploitation, family disruption, and erosion of dignity among migrant workers (Bakti et al., 2026).

Spiritual accounting is a critical perspective within accounting that rejects economic reductionism in assessing human activities. Triuwono (2006) developed the concept of Sharia accounting, which places the values of justice, trustworthiness (*amanah*), and balance at the basis of economic assessment (Mafikah et al., 2023). Economic accountability is insufficient if it is limited to the financial dimension; rather, it must encompass social, moral, and spiritual dimensions.

Maulidizen (2019) argues that conventional accounting systems tend to ignore the human dimension in assessing economic performance (Meriç & Karaca, 2026). Workers are viewed as factors of production measured solely on the basis of their productivity and economic value. The

spiritual accounting perspective opposes this view by asserting that every human being has intrinsic value that transcends market logic. In the context of labor migration, this perspective is relevant for critiquing how the state measures the "success" of migration programs only through remittance figures, without considering the social, psychological, and spiritual costs borne by migrant workers and their families (Aggarwal & Henrique, 2026; Freire, 1970).

International labor migration is a complex phenomenon with interconnected economic, social, and political dimensions. The World Bank (2023) notes that global remittances reached over US\$831 billion in 2022, with developing countries as the largest recipients. However, development literature also shows that excessive dependence on remittances can hinder long-term domestic development (Castles et al., 2014; Kenwood et al., 2025).

In the context of Timor-Leste, the ILO (2021) notes that the domestic labor market still faces serious challenges in job creation and improving the quality of human resources. Formal labor-force participation is low, while the informal sector dominates the employment structure, making labor migration both a survival strategy and a short-term economic solution for the state.

Previous research on the "foreign exchange hero" discourse has primarily focused on the Indonesian and Philippine contexts. Nurchayati (2010) examined how the Indonesian government employs the "*pahlawan devisa*" label to rationalize the exploitation of female migrant workers (Budianto & Liu-Farrer, 2026). Similarly, Rodriguez (2010) demonstrated that the Philippine state actively constructs migrant workers as "national heroes" to legitimize labor-export policies (Liao, 2025). More recently, Maksum (2021) analyzed how the "remittance hero" framing persists while post-migration worker precarity remains unaddressed, and Irawaty (2022) explored how Indonesian female migrant domestic workers contest the heroization narrative through alternative self-representations. Retnaningsih et al. (2026) further documented the widening gap between "foreign exchange hero" status and the lived socioeconomic realities of Indonesian migrant workers, including those in undocumented conditions.

Despite this growing body of critical scholarship, no study has specifically examined the "foreign exchange hero" narrative in the context of Timor-Leste, which presents structurally distinct conditions: a post-conflict nation with extremely limited industrial capacity, substantial dependence on labor migration through seasonal and temporary employment programs, particularly Australia's PALM scheme, and an emerging governance framework for labor-migration management. Furthermore, existing studies have not integrated social hermeneutic analysis with spiritual accounting perspectives to evaluate the moral and ethical dimensions of the heroic narrative.

The novelty of this study lies in its dual theoretical contribution: first, the application of Gadamer's and Ricoeur's hermeneutic frameworks, alongside Habermas's critical theory, to deconstruct the "foreign exchange hero" narrative specifically in Timor-Leste, a case that differs from the Indonesian and Philippine contexts because of its unique post-independence political economy and severe structural constraints in the labor market; and second, the integration of spiritual accounting as an ethical evaluation framework that challenges remittance-centered development metrics by foregrounding human dignity, social justice, and spiritual well-being as essential measures of policy success. This synthesis of social hermeneutics and spiritual accounting has not previously been applied to the literature on migration narratives.

The urgency of this research is underscored by the rapid acceleration of Timorese labor migration following the post-COVID-19 economic recovery. The number of Timorese workers in Australia alone increased from approximately 2,500 in 2021 to 13,295 in 2024 (Empregu, 2024), raising critical questions about the adequacy of legal protections, the sustainability of remittance dependence, and the long-term social consequences of large-scale unskilled labor migration from one of Southeast Asia's least developed economies.

This study aims to interpret the narrative of unskilled labor and the "foreign exchange hero" in Timor-Leste through hermeneutic and spiritual accounting approaches in order to understand the social, economic, and moral meanings underlying increasing labor migration during 2015–2025.

Theoretically, this research contributes to the development of critical migration studies by synthesizing social hermeneutics and spiritual accounting as complementary analytical frameworks. Practically, the findings provide an evidence-based foundation for policy advocacy

aimed at reforming migrant worker protection mechanisms. From a policy perspective, this study offers recommendations for the Government of Timor-Leste to transition from a remittance-dependent development model toward domestic capacity-building strategies that prioritize human dignity and social justice.

## METHOD

This research used a qualitative approach within an interpretive-critical paradigm. The research method employed was a literature study using a social hermeneutics approach. The interpretive-critical paradigm was chosen because this research aimed not only to describe phenomena but also to reveal hidden meanings and power relations in narratives concerning migrant workers (Burrell & Morgan, 1979; Trinidad, 2024).

The hermeneutic interpretation process in this study followed three interconnected stages. First, the pre-understanding stage involved identifying the researcher's initial assumptions regarding the "foreign exchange hero" narrative, informed by Gadamer's (1989) concept of effective-historical consciousness (Bream, 2026). Second, the fusion-of-horizons stage entailed systematic engagement with selected texts (including government policy documents, official migration reports, media narratives, and academic literature) through iterative reading cycles that sought to bring the researcher's interpretive horizon into dialogue with the historical and political context in which these texts were produced. Third, the critical-reflective stage applied Habermas's (1984) theory of communicative action and Ricoeur's (1981) hermeneutic arc to evaluate how language and narrative structures functioned as instruments of ideological legitimization within migration policy discourse (Bakti et al., 2026).

Data were obtained from various primary and secondary sources, including: (1) government reports from Timor-Leste through SEFOPE; (2) reports from international organizations, including the ILO, World Bank, and UNDP; (3) academic journals on migration, employment, and critical accounting; (4) media articles and news reports from reputable journalism institutions; and (5) labor policy documents from Timor-Leste.

The analysis was conducted through five steps: (1) collection and inventory of migration, remittance, and employment data for Timor-Leste from 2015 to 2025; (2) reduction and categorization of data based on hermeneutic and spiritual accounting themes; (3) interpretation of social narratives through the theoretical lenses of Gadamer, Habermas, and Ricoeur; (4) critical reflection on the relationship between the state, the economy, and migrant workers; and (5) systematic coding and validation of the findings (Bakti et al., 2026). The coding process involved open coding of recurring themes across the collected documents, followed by axial coding to establish relationships between thematic categories, such as "heroic framing," "concealment of exploitation," "remittance legitimization," and "spiritual cost." Interpretation was validated through methodological triangulation by cross-referencing findings from government reports, international organization data, academic literature, and media narratives to ensure the consistency of the interpretive conclusions.

The search protocol involved the systematic retrieval of documents from SEFOPE official publications, ILO regional reports, World Bank databases, BCTL statistical releases, and academic databases, including Scopus, Web of Science, and Google Scholar. The search terms included "Timor-Leste labor migration," "foreign exchange hero," "*pahlawan devisa*," "remittance Timor-Leste," and "seasonal worker Pacific," covering the period from 2015 to 2025. A total of 47 documents were initially screened, of which 32 met the inclusion criteria based on their direct relevance to Timorese labor migration, remittance patterns, or critical migration-narrative discourse.

This research drew on Gadamer's (1989) ideas concerning the interpretation of social meaning and Ricoeur's (1981) work on symbols and social language as theoretical foundations for the hermeneutic analysis (Bream, 2026).

## RESULTS AND DISCUSSION

### Results

#### *Profile of Timor-Leste Labor Migration 2015–2025*

Based on data from the *Secretaria de Estado para a Formação Profissional e Emprego* (Empregu, 2024), the International Labour Organization (Organization, 2023), and official remittance reports from the Central Bank of Timor-Leste (Timor-Leste, 2024), Timor-Leste's labor migration has shown a consistent upward trend since 2015. Australia is the largest destination country under the Pacific Australia Labour Mobility (PALM) scheme, while South Korea is the main destination for industrial-sector workers under the Employment Permit System (EPS) (Empregu, 2024; Organization, 2023). Since 2024, the United Kingdom and Ireland have begun to emerge as new destination countries, particularly in the service and hospitality sectors (TATOLI, 2025).

**Table 1**

*Main Destination Countries for Timorese Migrant Workers (2021–2025)*

| Year | Destination Country | Number of Migrant Workers | Dominant Sector                        | Economic Contribution                | Estimated Remittances (USD) | Job Dominance Status |
|------|---------------------|---------------------------|----------------------------------------|--------------------------------------|-----------------------------|----------------------|
| 2021 | Australia           | ±2,500                    | Seasonal Agriculture (Seasonal Worker) | Household income & foreign exchange  | ±20 million                 | Very Dominant        |
| 2021 | South Korea         | ±420                      | Industry & Fisheries                   | Migrant worker income                | ±3 million                  | Low                  |
| 2022 | Australia           | ±5,000                    | Agriculture & Hospitality              | Increase in national remittances     | ±30 million                 | Very Dominant        |
| 2022 | South Korea         | ±1,200                    | Manufacturing Industry                 | Migrant family income                | ±5 million                  | Medium               |
| 2023 | Australia           | ±8,500                    | Agriculture & Construction             | Main remittance contributor          | ±45 million                 | Very Dominant        |
| 2023 | South Korea         | ±3,500                    | Industry & Manufacturing               | Labor foreign exchange               | ±10 million                 | Medium               |
| 2024 | Australia           | 13,295                    | Seasonal Agriculture                   | Largest remittance source            | ±65 million                 | Very Dominant        |
| 2024 | South Korea         | 5,868                     | Industry & Manufacturing               | Formal sector remittances            | ±20 million                 | Dominant             |
| 2024 | United Kingdom      | ±1,000                    | Hospitality & Services                 | Remittance diversification           | ±15 million                 | Emerging             |
| 2025 | Australia           | 8,840                     | Agriculture & Seasonal Worker          | Largest foreign exchange contributor | ±12 million*                | Very Dominant        |
| 2025 | South Korea         | 791                       | Industry & Manufacturing               | Migrant worker income                | ±3.2 million*               | Declining            |
| 2025 | UK & Ireland        | ±1,500                    | Hospitality, Caregiver, Services       | New remittance source                | ±5 million*                 | Developing           |

\*Note: (\*) Proportional estimate based on reported total remittances; 2021–2023 figures use ± as they are approximations based on source triangulation. Exact figures available for 2024–2025.\*

Source: SEFOPE (2024); TATOLI (2025); Organization (2023); Timur-leste (2024), processed by author.

Based on Table 1, Australia is the main destination country for Timorese migrant workers throughout the 2021–2025 period, with a concentration in the seasonal agriculture sector through the PALM program. The number of active workers reached 13,295 in 2024 and 8,840 in 2025 (Empregu, 2024; TATOLI, 2025). South Korea ranks second through the EPS program, with a concentration in the industrial and manufacturing sectors. Meanwhile, the United Kingdom and Ireland have begun to emerge as new destinations since 2024, particularly in the hospitality, service, and caregiving sectors. This finding aligns with Castles, de Haas, and Miller (2014), who explain that developing countries tend to function as suppliers of low-cost labor within the global labor supply chain (Kenwood et al., 2025).

From a hermeneutic perspective, these migration patterns reveal more than mere labor mobility statistics. The concentration of Timorese workers in seasonal agriculture under the PALM scheme reflects what Gadamer (1989) would characterize in terms of the fore-structure of understanding and the horizon of understanding the structural positioning of Timorese labor as predominantly suited to low-skilled, temporary work, which reinforces the global division of labor analyzed by Sassen (1988) and Sivaji (2026). The dramatic increase from 2,500 workers in 2021 to 13,295 in 2024, followed by a decline to 8,840 in 2025, suggests that Timorese labor functions as a flexible reserve that responds to destination-country demand cycles rather than as a stable pathway toward worker empowerment. Hermeneutically, this pattern reveals the instrumentalization of human mobility within the discourse of remittance generation. The research findings show several important points:

- 1) Australia is the main destination for Timorese migrant workers during the research period (Empregu, 2024).
- 2) The majority of workers sent abroad are employed in seasonal agriculture, construction, manufacturing, and hospitality (Organization, 2023).
- 3) The number of migrant workers increased significantly following the post-COVID-19 economic recovery (Bank, 2023).
- 4) Remittances generated by migrant workers constitute an important source of income for households in Timor-Leste (Timor-Leste, 2024).

### ***Characteristics of Unskilled Migrant Workers***

The findings from the document and literature reviews show that most Timorese migrant workers fall within the unskilled labor category (Castles et al., 2014; Organization, 2023). This group works in the following sectors:

- 1) Seasonal agriculture;
- 2) Plantation work;
- 3) Construction;
- 4) Manufacturing;
- 5) Domestic work;
- 6) Hospitality and informal services.

This group of workers generally has relatively limited educational attainment and access to vocational training (Organization, 2023). This condition is consistent with the findings of Hugo (2009), who states that migrant workers from countries with low levels of vocational education tend to be concentrated in low-wage occupations in destination countries (Withers, 2025).

### ***Vulnerabilities Faced by Migrant Workers***

Findings from the literature review show that unskilled migrant workers face various forms of vulnerability (Blackstone et al., 2023; International, 2019; Organization & Foundation, 2017; Watch, 2020), including:

- 1) Low bargaining power in employment relationships (Fresnoza-Flot, 2022; Silvey, 2004);
- 2) Dependence on recruitment and placement agencies and employers (Constable, 1997; Lai, 2026);
- 3) Limited access to legal protection and remedies (Ali et al., 2024; Organization & Foundation, 2017)
- 4) Risk of long working hours and inadequate working conditions (Lin et al., 2024; Watch, 2020);
- 5) Potential exposure to exploitation and violence (Blackstone et al., 2023; International, 2019);
- 6) Long-term separation from family (Parreñas, 2005; Perera, 2026).

These vulnerabilities do not exist in isolation but are interconnected within a migration system that places workers in a structurally weak position (Sassen, 1988; Sivaji et al., 2026). This condition reinforces the argument that formal legal protection alone is insufficient without structural changes in migration governance.

***Timor-Leste's Position in the ASEAN Labor Structure*****Table 2***Comparison of Skilled and Unskilled Labor in ASEAN in 2025*

| Country           | Skilled Labor (%) | Unskilled Labor (%) | Dominant Skilled Sector                | Dominant Unskilled Sector                  | Labor Market Characteristics             |
|-------------------|-------------------|---------------------|----------------------------------------|--------------------------------------------|------------------------------------------|
| Singapore         | 75                | 25                  | Finance, AI, Digital Technology        | Support Services                           | Knowledge & innovation-based economy     |
| Malaysia          | 45                | 55                  | Modern Manufacturing, Digital, Finance | Construction, Plantations                  | Transitioning to high-tech economy       |
| Thailand          | 42                | 58                  | Automotive, Electronics, Tourism       | Agriculture, Services                      | Transformation towards a skilled economy |
| Brunei Darussalam | 50                | 50                  | Public Administration, Energy          | Services & Construction                    | Dependent on oil & gas sector            |
| Indonesia         | 35                | 65                  | Technology, Banking, Education         | Agriculture, MSMEs, Construction           | High dominance of informal sector        |
| Philippines       | 40                | 60                  | BPO, Healthcare, Education             | Services & Manufacturing                   | Global labor supplier                    |
| Vietnam           | 38                | 62                  | Electronics, Modern Manufacturing      | Agriculture & Labor-intensive Industry     | Rapidly developing industrialization     |
| Cambodia          | 20                | 80                  | Tourism & Administration               | Garments, Agriculture                      | Labor-intensive economy                  |
| Laos              | 18                | 82                  | Government & Education                 | Traditional Agriculture                    | Dominance of informal labor              |
| Myanmar           | 15                | 85                  | Administration & Education             | Agriculture & Informal Services            | Political conflict affects labor market  |
| Timor-Leste       | 12                | 88                  | Government, NGOs, Administration       | Agriculture, Construction, Labor Migration | High dependence on migrant workers       |

\*Source: Organization (2024); Secretariat (2023); OECD (2024); World Bank (2024), processed by author. Note: Data are estimates based on triangulation of official sources; the Timor-Leste row is highlighted as it is the focus of the research.\*

Table 2 shows a considerable gap between advanced ASEAN countries and developing ASEAN countries in the labor structure (Organization, 2024; Secretariat, 2023). Singapore has the highest proportion of skilled labor (75%), reflecting the successful transformation toward a knowledge-based economy (Bank, 2024). Conversely, Timor-Leste, Myanmar, Laos, and Cambodia are still dominated by unskilled labor, with proportions above 80% (Organization, 2024).

Timor-Leste occupies the lowest position in terms of the proportion of skilled labor (12%). This condition indicates that the national labor market is still highly dependent on the traditional agricultural sector, informal employment, and labor migration abroad (Bank, 2023; Empregu, 2024). Low industrial capacity and limited access to vocational education mean that most workers can access only low-wage jobs, both domestically and abroad (Byskov, 2026; Sen, 1999).

From a development perspective, the dominance of unskilled labor reflects a structural skills gap that has the potential to hinder national economic competitiveness (Mokhtari Torshizi et al., 2026; Nussbaum, 2011; OECD, 2024). Therefore, improving the quality of education, vocational training, competency certification, and domestic industrial development are important prerequisites for reducing dependence on unskilled labor migration.

## Discussion

### *Unskilled Labor as a Global Economic Commodity*

The increase in labor migration from Timor-Leste shows that unskilled workers have become part of the global labor supply chain. From a political economy perspective, this condition reflects a dependency relationship between developing countries as suppliers of low-cost labor and developed countries as users of such labor (Castles et al., 2014; Sassen, 1988; Sivaji et al., 2026). Castles, de Haas, and Miller (2014) explain that international migration is part of the global economic structure that produces cross-country labor dependence (Kenwood et al., 2025).

Through Gadamer's hermeneutic perspective (1989), the term "unskilled" cannot be understood as a neutral category because it contains a specific social construction regarding human value and productivity (Bream, 2026; Gadamer, 1989). Within this framework, labeling labor as "unskilled" is a product of power relations operating within the global labor market (Bream, 2026; Gadamer, 1989).

### *The "Foreign Exchange Hero" Narrative as Social Construction and State Legitimation*

The research results show that the term "foreign exchange hero" not only functions as a form of symbolic appreciation but also as an instrument for legitimizing labor migration policies. This narrative highlights the economic contribution of migrant workers through remittances but, at the same time, has the potential to conceal the various forms of vulnerability they experience. A similar phenomenon occurs in the Philippines, where the state actively frames migrant workers as "national heroes" to legitimize labor-export policies (Liao, 2025; Rodriguez, 2010).

Concrete textual evidence supports this interpretation. SEFOPE's official 2024 report consistently refers to migrant workers as *ita-nia heroi* (our heroes), who "contribute to national development through their sacrifices abroad" (Empregu, 2024). Similarly, government press releases through TATOLI frequently frame remittance statistics as indicators of migrant workers' "patriotic contribution to the nation's economic resilience" (TATOLI, 2025). These official narratives construct a celebratory discourse that emphasizes macroeconomic benefits while omitting systematic references to workplace injuries, wage theft, or psychological distress documented in ILO field assessments (Organization, 2023). This discursive pattern mirrors what Foucault (1982) terms "productive power," the capacity of institutional language to shape subjects who internalize the heroic identity and thereby accept precarious labor conditions as a form of national service (Edwards, 2026).

Within Ricoeur's framework (1984), narratives are always selective because they highlight certain aspects while obscuring others. Therefore, the heroic narrative of migrant workers needs to be hermeneutically critiqued as a text carrying ideological content (Peitsinis et al., 2025; Ricoeur, 1984). The construction of this narrative is also closely related to the process of symbolic institutionalization analyzed by Bourdieu (1991) in relation to what he calls symbolic capital (Zoppolato & Boni, 2026).

### *Contradiction between Heroic Narrative and Migrant Workers' Reality*

Findings regarding exploitation, social alienation, family separation, and weak legal protection indicate a gap between the symbol of honor and the reality of migrant workers' lives (Hugo, 2009; Parreñas, 2005; Perera, 2026; Silvey, 2004). This contradiction shows that symbolic appreciation is not always accompanied by substantive protection of workers' rights.

Long-term family separation, in particular, creates a significant psychological burden, especially for children left behind (Parreñas, 2005; Perera, 2026). This condition shows that the social costs of labor migration cannot be ignored in policy evaluation.

### *Power Relations in the Production of Migrant Worker Narratives*

The "foreign exchange hero" narrative is shaped by the interaction of various actors: the state, placement agencies, the global labor market, the media, and migrant workers' families. Each actor has different interests in maintaining the sustainability of labor migration (Ayrton, 2024; Bourdieu, 1991; Foucault, 1982).

From Habermas's perspective (1984), language can function as an instrument of power legitimation. Therefore, the use of the term "foreign exchange hero" needs to be analyzed as part

of communicative action aimed at maintaining social consensus on migration policies (Bakti et al., 2026; Habermas, 1984). Foucault's (1982) analysis of the subject and power is also relevant for understanding how migrant workers are constructed as obedient and productive subjects through the discourse of heroism (Ayrton, 2024).

### ***Migrant Worker Agency within Structures of Inequality***

Although in a vulnerable position, migrant workers cannot be seen merely as victims. The research results show workers' ability to make decisions, develop survival strategies, manage remittances, and form social networks in destination countries (Aslam & Idrees, 2025; Constable, 1997; Gamburd, 2000).

This finding reinforces Freire's (1970) view that marginalized groups still have the capacity to act as social subjects. In *Pedagogy of the Oppressed*, Freire (1970) explains that critical consciousness is a prerequisite for structural transformation, rather than merely adaptation to existing conditions (Aggarwal & Henrique, 2026).

### ***Spiritual Accounting Critique of the Foreign Exchange Paradigm***

From a spiritual accounting perspective (Gray et al., 1996; Mai & Hoque, 2023; Schweiker, 1993), development success cannot be measured only through increased remittances and foreign-exchange earnings. The research findings show that behind the remittance figures lie social, psychological, and spiritual costs borne by migrant workers and their families (Byskov, 2026; Nussbaum, 2011; Sen, 1999).

Therefore, the evaluation of the success of migration policies needs to include indicators of well-being, human dignity, social justice, and protection of workers' rights (Sen, 1999). This approach aligns with the capability approach framework developed by Sen (1999) and Nussbaum (2011), which places human freedom and capabilities at the center of development assessment (Byskov, 2026).

### ***Synthesis of Social Hermeneutics and Spiritual Accounting***

The findings of this study both converge with and diverge from previous research on the "foreign exchange hero" discourse. Consistent with Nurchayati (2010) and Maksum (2021), this study confirms that the heroic narrative functions as an instrument of state legitimation across different national contexts (Mayumi & Argenti, 2026). However, unlike the Indonesian case, where the discourse has been contested by organized migrant worker movements (Irawaty, 2022), the Timor-Leste context reveals a largely uncontested narrative due to the country's limited civil society infrastructure and the recent emergence of its labor-export program. This distinction suggests that the ideological function of the "foreign exchange hero" label may be even more pronounced in nascent labor-exporting states where counter-narratives have yet to develop institutional channels of expression.

It is important to acknowledge counter-evidence that complicates this study's critical framing. Wu et al. (2023), in their study of Timorese workers participating in the Australian Seasonal Worker Programme, found that remittances build meaningful social and financial capital, fund housing and education, and are actively used by Timorese households to strengthen rather than erode social relationships. These findings suggest that the material benefits of labor migration are real and significant for many families. However, this study argues that such positive outcomes do not negate the hermeneutic critique: the "hero" narrative remains problematic because it conflates individual household benefits with national development achievements, thereby relieving the state of its obligation to create domestic economic alternatives. The spiritual accounting framework insists that both dimensions, material benefits and structural justice, must be assessed simultaneously (Gray et al., 1996; Mai & Hoque, 2023; Schweiker, 1993).

The research findings show that social hermeneutics and spiritual accounting complement each other in understanding the phenomenon of labor migration. Hermeneutics helps reveal the meaning and ideology behind the "foreign exchange hero" narrative (Gadamer, 1989; Ricoeur, 1984, 1992), while spiritual accounting provides an ethical foundation for assessing whether migration policies have met the principles of justice and humanity (Gray et al., 1996; Mai & Hoque, 2023; Schweiker, 1993).

Through the synthesis of these two perspectives, labor migration is understood not merely as an economic issue but also as a matter of human dignity and the state's moral responsibility (Byskov, 2026; Ricoeur, 1992; Sen, 1999). This synthesis offers a conceptual contribution to the development of critical migration studies that not only measure the flow of foreign exchange but also question the justice underlying the system that produces that flow.

### CONCLUSION

The phenomenon of unskilled labor in Timor-Leste during 2015–2025 shows that labor migration is not merely an economic activity but a complex social, political, and humanitarian phenomenon. This study contributes to the critical migration literature by demonstrating that the "foreign exchange hero" narrative constitutes a symbolic construction that, through hermeneutic analysis, carries ideological meaning by providing symbolic legitimacy to the state's labor-export policies while concealing the realities of suffering, exploitation, and vulnerability experienced by unskilled migrant workers. The spiritual accounting perspective employed in this study affirms that human beings should not be reduced to instruments of state foreign-exchange earnings; rather, economic success must be measured not only by the volume of remittances but also by the state's ability to protect the rights, welfare, and dignity of its citizens. Furthermore, this study reveals that migrant workers are not merely passive victims but subjects who possess agency, dignity, and complex life experiences, and that meaningful recognition must extend beyond heroic labels toward substantive legal protection and labor justice. Finally, the development paradox of Timor-Leste, where remittances benefit the short-term economy while dependence on low-cost labor exports has the potential to hinder long-term development, requires fundamental, human-centered policy reforms.

This study has several limitations that should be acknowledged. First, as a literature-based study, the analysis relies entirely on secondary data and published documents, without primary data from interviews or ethnographic observations of migrant workers' lived experiences. Second, the hermeneutic interpretations presented are necessarily shaped by the researchers' own pre-understandings and may benefit from validation through participants' perspectives. Third, the document corpus, while systematically selected, may not capture the full range of discursive practices surrounding the "foreign exchange hero" narrative, particularly informal or community-level discourse. Future research should incorporate primary qualitative data collection, including in-depth interviews with returned migrant workers and focus group discussions with affected families, to triangulate the hermeneutic findings with lived experiences. Comparative studies applying the spiritual accounting framework to other small developing states with high labor-migration dependence would also strengthen the generalizability of the theoretical contributions presented here.

Based on the research findings, several policy recommendations are proposed. The Government of Timor-Leste should strengthen legal protection for migrant workers through more comprehensive bilateral agreements with destination countries, covering wage standards, working hours, and access to legal aid. Domestic capacity building through investment in vocational education and national industrial development should be prioritized to reduce structural dependence on labor exports. The narrative of the "foreign exchange hero" should be reformed so that it not only glorifies economic contributions but also recognizes the sacrifices, suffering, and rights of migrant workers and their families. Finally, a system of state social accountability that goes beyond purely financial measures should be developed, incorporating indicators of well-being, dignity, social justice, and the spiritual capital of migrant workers as measures of development success.

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### AUTHOR CONTRIBUTION STATEMENT

Author 1 conceptualized the research framework, conducted the hermeneutic analysis, and drafted the original manuscript. Author 2 and 3 contributed to data collection, literature review, and critical revision of the manuscript. Both authors approved the final version of the manuscript for submission.

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