The Diaspora Capability Index: A New Lens on Human Capital and Innovation

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Abstract: Developed in the context of Lebanon's post-crisis recovery, the Diaspora Capability Index (DCI) addresses a gap in traditional economic complexity models by capturing transnational capabilities that lie beyond domestic production and trade data. As a complementary framework to the Economic Complexity Index (ECI), the DCI integrates external human capital into sectoral analysis. Structured around four weighted factors—skills and expertise, capital and investment, market access, and engagement infrastructure—the DCI combines qualitative and quantitative data, including diaspora talent mapping, investment flows, and institutional readiness. Applied to high-potential sectors, the DCI reveals areas where diaspora engagement can accelerate innovation and structural transformation, and offers a replicable model for fragile and transition economies seeking to transform their diaspora from a passive financial contributor into an active driver of development.

Keywords: Diaspora Complexity Index, Economic Development, Economic Complexity Models, Transnational Capabilities, Strategic Development