

Economic Empowerment through Entrepreneurial Ventures: A Holistic Study of Socio-Economic Transformation and Business Creation

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Received: September 11, 2023

; Accepted: October 8, 2023

; Published: October 31, 2023

ABSTRACT. This research study examines the dynamic relationships between entrepreneurial resources, opportunities, government policies, economic empowerment, and socio-economic transformation in the context of entrepreneurial ventures in West Java, Indonesia. Using a quantitative approach, this study employs quantitative analysis through Structural Equation Modeling (SEM) with SMART-PLS 4 to assess these relationships and their implications for economic development. The sample comprised 300 entrepreneurial firms from various sectors, representing micro, small, and medium enterprises. Data collected through a structured questionnaire explored respondents' perceptions regarding entrepreneurial resources, opportunities, government policies, economic empowerment, and socio-economic transformation. The data was analyzed, and the proposed hypotheses were tested using descriptive statistics, reliability analysis, confirmatory factor analysis, and path analysis. The study's results demonstrate a noteworthy and favorable correlation between entrepreneurial resources, opportunities, government policies, and economic empowerment. Furthermore, it is worth noting that economic empowerment has a significant and good impact on socio economic transformation. The fit index of the structural model suggests a satisfactory alignment between the hypothesized model and the empirical data. The findings highlight the significance of available resources, favorable opportunities, and supporting government policies in facilitating economic empowerment inside entrepreneurial enterprises. Furthermore, the results also underscore the importance of economic empowerment in reducing broader socio-economic changes within the region. This study aims to enhance comprehension of the interplay between entrepreneurship, policy, and socio-economic results in West Java.

Keyword: Resource; Opportunities; Government; Economic; Empowerment; Socio-Economic; Transformation; Entrepreneurial

JEL Classification: M21

INTRODUCTION

In recent years, entrepreneurial firms have emerged as dynamic economic growth and development drivers worldwide. These firms have significantly contributed to job creation, innovation, and societal transformation by leveraging resources, identifying opportunities, and navigating complex market landscapes. In the context of Mauritius, small and medium-sized enterprises (SMEs) have significantly contributed to the nation's economic expansion and job creation. In 2016, the Ministry of Business, Enterprise, and Cooperatives of Mauritius initiated a decade-long strategy to enhance the development and advancement of small and medium-sized enterprises (SMEs) (Roopchand, 2020). In South Korea, the economy has been positively impacted by the presence of creative venture enterprises, which have demonstrated commendable financial performance and facilitated job creation within the labor market. The government has significantly contributed to establishing an entrepreneurial ecosystem and provided substantial financial backing to these venture enterprises (Han et al., 2017). Furthermore, the influence of venture capital and private equity investments on innovation has been observed in high-tech entrepreneurial enterprises operating within various institutional systems. This impact is particularly pronounced in countries where capital markets are less developed (Corsi & Prencipe, 2019). Technology entrepreneurship has also been a pathway to industry-university engagement, leading to societal and economic impact (Ogbari et al., 2017). There exists a positive correlation between investments made in intangible assets and the acquisition of patents resulting from research and development (R&D) endeavors and the probability of a corporation attaining high-growth status (Temouri et al., 2021). In Korea, small businesses have been driving forces of aggregate employment growth, with high growth driven by the entry of tiny firms (Cho et al., 2017).

Entrepreneurial enterprises in Indonesia have a substantial role in fostering job creation, wealth accumulation, and innovation, facilitating economic empowerment and socio-economic transformation. Efforts are made by the government and various stakeholders to aggressively pursue strategies aimed at boosting entrepreneurship to foster sustainable economic growth (Mitariyani et al., 2023). Higher education institutions in Indonesia have played a crucial role in promoting entrepreneurship and rural development. They have implemented service-learning programs to encourage the growth of small village enterprises and empower rural communities politically, socially, and economically (Febriansyah et al., 2020). Initiatives have been implemented by universities and local governments to identify the immediate needs of communities and assess their potential for the development of local entrepreneurial businesses (Febriansyah et al., 2020). In the waste management sector, entrepreneurial characteristics and personal characteristics of waste bank managers have been found to contribute to the growth of sustainable waste banks (Sari et al., 2021). These managers are expected to have entrepreneurial characteristics, such as motivation, risk-taking, and innovation, to ensure the growth of sustainable waste banks (Sari et al., 2021). The impact of corporate social responsibility (CSR) funding, namely through the Partnership and Development Nurturing Programme (PDNP), on the entrepreneurial mentality and income of small and micro-entrepreneurs in Pekanbaru, Indonesia has been observed (Indarti & Efni, 2018). CSR funding effectively improves entrepreneurial attitude, leading to higher income for small and micro-entrepreneurs (Indarti & Efni, 2018). In summary, entrepreneurial firms in Indonesia play a vital role in driving economic growth and socio-economic transformation. Various initiatives, such as higher education programs, waste bank management, and CSR funding, have been implemented to support and boost entrepreneurship for sustainable development in the country.

West Java has a unique blend of urban and rural landscapes, diverse industries and a growing young population. This landscape presents many opportunities, as well as challenges, for entrepreneurial ventures (Anatan & Nur, 2022; Purbasari et al., 2020). These ventures have the potential to not only create jobs and contribute to economic growth, but also empower individuals and

communities economically, thereby driving broader socio-economic transformation. However, the extent to which entrepreneurial ventures in West Java can achieve such outcomes depends on the complex interaction of various factors. Entrepreneurial resources, ranging from financial capital to human expertise, form the foundation for entrepreneurial ventures. Effective utilization of these resources can improve the prospects of success for both start-ups and established firms (Anderson & Eshima, 2013; Ozkazanc-Pan & Clark Muntean, 2018; Riyanti & Suwartono, 2018; Wiklund & Shepherd, 2003). Moreover, recognizing and capitalizing on entrepreneurial opportunities is a key driver of innovation and growth, shaping the trajectory of businesses and their contribution to the economy (Jakubczak, 2016; Kourilsky et al., 2007; Senou & Manda, 2022).

As another critical element, government policies shape the environment in which entrepreneurial firms operate. Supportive policies can catalyze business development by providing access to funding, reducing regulatory burdens, and fostering favorable conditions for market entry (Fkun et al., 2023; Huggins & Williams, 2007; Patton & Marlow, 2011; Wei, 2022). Conversely, policies that discourage entrepreneurship can stifle growth and limit the potential for economic empowerment. Economic empowerment, characterized by increased income, improved quality of life, and greater self-reliance, is an important outcome that entrepreneurial firms can facilitate (Aaram & Shakespear, 2015; Datta & Gailey, 2012; Pitoyo et al., 2019). Moreover, the cumulative effects of such ventures on the broader socio-economic landscape can lead to transformative changes in community structures, norms, and opportunities.

While the potential of entrepreneurship has been widely recognized, there still needs to be gaps in understanding the complex relationships linking entrepreneurial resources, opportunities, government policies, economic empowerment, and socio-economic transformation. Existing research often overlooks nuanced dynamics in specific contexts, especially in regions with unique socio-economic landscapes like West Java. Therefore, this study aims to bridge the gap by investigating these relationships in the context of entrepreneurial ventures in West Java.

Entrepreneurial resources are crucial for the success of a venture, and they can be both tangible and intangible. Tangible resources include financial capital, physical infrastructure, and technology, while intangible resources encompass human capital, social networks, and knowledge (Bellia et al., 2017). The Resource-Based View (RBV) by Barney (1991) emphasizes the importance of valuable, rare, and hard-to-imitate resources in achieving sustainable competitive advantage (Pereira et al., 2017). Intangible resources are essential in facilitating innovation, fostering competitive advantage, and enhancing adaptive capacity. For instance, a research investigation about international entrepreneurs operating exporting enterprises has identified several essential competitive resources for internationalization. These resources encompass knowledge, team composition, liquidity, brand reputation, production capabilities, quality standards, and relationships (Pereira et al., 2017). Another study on transgenerational entrepreneurship highlights the role of intangible assets like values, virtues, tacit knowledge, learning, professionalization, internal and external social networks, and reputation in the long-term success of family-run businesses (Sharma et al., 2013). In the context of entrepreneurial orientation, dynamic capabilities and intangible resources work together to stimulate entrepreneurial strategies within a firm (Madsen et al., 2007). The mediating role of dynamic capacities in the relationship between relation-based resources and entrepreneurial orientation is evident, specifically in terms of opportunity-seeking and readjustment capacity. Additionally, knowledge-based resources are directly associated with entrepreneurial orientation (Madsen et al., 2007). In summary, both tangible and intangible resources are essential for entrepreneurial success. Intangible resources, such as human capital, social networks, and knowledge, drive innovation, competitive advantage, and adaptive capacity. The necessity of resources in attaining sustained competitive advantage is emphasized by the Resource-Based View. Numerous studies have illustrated the importance of these resources in diverse business settings

Entrepreneurial chances manifest as a result of several circumstances, encompassing market voids, advancements in technology, shifts in consumer preferences, and the emergence of trends. Identifying and utilizing these possibilities are crucial for the expansion and achievement of

entrepreneurial enterprises. A deep understanding of the market is essential for recognizing and taking advantage of these opportunities (Renko, 2008). Market knowledge, combined with internationalization knowledge, forms the international knowledge stockpile of a firm, which moderates the relationship between the development of global opportunities and the internationalization process (Galdino et al., 2019). Entrepreneurial orientation and the interrelationships between different types of knowledge, such as technology and market knowledge, are essential for opportunity recognition and exploitation (Renko, 2008). Furthermore, students' entrepreneurial attitudes are related to their economic attitudes regarding business, investments, savings, and consumption (Zabelina et al., 2019). Gender disparities in entrepreneurship and labor force engagement can significantly affect productivity levels and per capita income. For example, when women are entirely barred from entrepreneurship, there is a notable decline of about 12% in the average production per worker. This decline can be attributed to the reduction in the overall talent level of entrepreneurs (Yoon et al., 2021). Addressing these gaps can lead to increased economic growth and opportunities. In agriculture, fostering interdisciplinary training and development of entrepreneurial-minded farmers, or "AgTech Pioneers," can help accelerate and apply advances in nanoscience, nanotechnology, and related fields (Teignier & Cuberes, 2014). This objective can be attained by fostering talent development, implementing cross-disciplinary educational and training initiatives, and establishing innovation clusters. The identification and utilization of entrepreneurial opportunities necessitate a synthesis of market intelligence, technology advancements, comprehension of customer behavior, and the identification of deficiencies within diverse industries. Entrepreneurs can make significant contributions to the growth and profitability of their firms and the broader economy by directing their attention towards these issues

Government policies play a crucial role in shaping the entrepreneurial landscape by creating a supportive environment for business development. These policies can include tax incentives, efficient regulatory frameworks, access to funding, and support for research and development, which can stimulate entrepreneurship and innovation (Cumming et al., 2019). On the other hand, policies that impede business operations or restrict market access can hinder entrepreneurial growth. Tax incentives, for example, can encourage employment and investment in specific sectors or regions (Lengnick-Hall et al., 2008). In addition, regulatory frameworks can help ensure the safety and quality of products and services and protect consumers and the environment (Boza & Evgeniou, 2021). Access to funding is essential for entrepreneurs to start and grow their businesses, and government policies can help facilitate access to various sources of capital (Baloyi & Khanyile, 2022). Support for research and development can foster innovation and the creation of new technologies, products, and services, which can drive economic growth (Ray & Leandre, 2021). However, it is important to note that not all government policies are effective in promoting high-quality entrepreneurship. For instance, a study on angel investor tax credits in the United States found that while these programs increased the number of investments and average investment size, they also led to investments in lower-quality startups launched by less experienced entrepreneurs, resulting in poor subsequent performance (Denes et al., 2019). In conclusion, government policies can significantly shape the entrepreneurial landscape by creating a supportive environment for business development. These policies can stimulate entrepreneurship and innovation, but their effectiveness may vary depending on the specific policy and its implementation.

Economic empowerment is a process that aims to improve the economic capabilities, well-being, and decision-making power of individuals and communities. Entrepreneurial ventures can be a pathway to economic empowerment by creating income-generating opportunities and encouraging skills development (Febriansyah et al., 2020; Maqbool et al., 2021; Williams et al., 2022). Entrepreneurial education has been found to have a strong association with the skillful development of women, leading to their economic empowerment (Maqbool et al., 2021). In

Pakistan, for example, women's entrepreneurship development through entrepreneurial education has been identified as a central device for women's empowerment, leading to increased self-respect, confidence, and success (Maqbool et al., 2021). In Indonesia, universities have used service learning programs to contribute to rural development and encourage the growth of small village enterprises, empowering rural communities economically, socially, and politically (Febriansyah et al., 2020). These programs involve students in identifying communities' immediate needs and potential to develop their own local entrepreneurial ventures, directly engaging them in grassroots initiatives (Febriansyah et al., 2020). Social media has also been recognized as a tool for women's economic empowerment, providing new ways to communicate, access information, and cross geographical boundaries⁶. It has evolved with technological solutions for entrepreneurial ventures, enabling women to promote their businesses and access support systems (Shanmuga Priya & Sakthi, 2015). In summary, entrepreneurial ventures, education, and the use of technology and social media can contribute to the economic empowerment of individuals and communities. These pathways help improve economic capabilities, well-being, and decision-making power, ultimately leading to a better quality of life and increased opportunities for growth and development.

There is a knowledge gap about how these dimensions interact in a particular regional context, such as West Java, even though the existing research offers insightful information regarding the individual characteristics of entrepreneurial ventures, economic empowerment, and socio-economic transformation. By analyzing the interaction of these factors and their implications for entrepreneurial success, empowerment, and broader social change in the province, this research aims to close this gap.

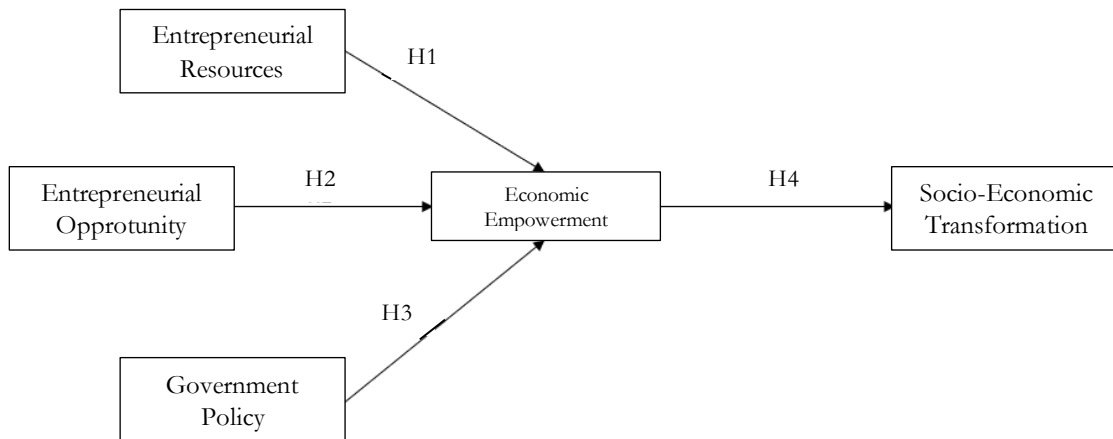


Figure 1. Hypothesis and Conceptual Research

METHODS

The research methodology used in this study is a quantitative approach with online and offline survey methods, emphasizing on the quantitative phase utilizing Structural Equation Modeling (SEM) with SMART-PLS 4. This robust approach enables rigorous exploration of the relationships between entrepreneurial resources, entrepreneurial opportunities, government policies, economic empowerment, and socio-economic transformation in the entrepreneurial landscape in West Java.

Data Collection

Sample Selection

The sample of this study consists of 300 entrepreneurial firms operating in various industries in West Java. A stratified random sampling technique was used to ensure representation across different business sectors and sizes.

Questionnaire Development

A structured questionnaire was designed based on the Likert scale. The questionnaire included sections on entrepreneurial resources (code RSO, 4 question items), entrepreneurial opportunities (code OPO, 4 question items), government policies (code Gov, 5 question items), economic empowerment (code EMPO, 7 question items), and socioeconomic transformation (code SOEC, 8 question items).

Data Collection Procedure

The questionnaire was administered electronically through an online survey platform and offline by in-person review. Participants were identified through industry associations, business networks, and government agencies. Ethical considerations, including data confidentiality and consent, were strictly followed throughout the data collection process.

Data Analysis

Descriptive Analysis

Descriptive statistics were calculated to provide an overview of the sample characteristics, including business profile, demographics, and other relevant variables.

Reliability and Validity Assessment

The measurement model's dependability was assessed using Cronbach's alpha to measure internal consistency. The assessment of convergent validity involved verifying that the average variance extracted (AVE) for each construct surpassed the prescribed level.

Factor Loading

A confirmatory factor analysis (CFA) was performed to validate the measurement model and evaluate the degree of fit between the hypothesized model and the obtained data. The study investigated factor loadings, composite reliabilities, and other fit indices.

Structural Model Analysis

The structural model analysis process entails assessing the postulated connections between various entities. Path coefficients are computed to ascertain the magnitude and orientation of these associations. Bootstrap resampling was employed to evaluate the importance of the path coefficients and calculate confidence intervals. The utilization of this methodology produces several resamples of the initial dataset, hence enabling the establishment of robust statistical inferences.

RESULT AND DISCUSSION

Characteristics Respondent

The findings are interpreted and discussed in the context of the research objectives, theoretical framework, and existing literature, shedding light on the intricate relationships between entrepreneurial resources, opportunities, government policies, economic empowerment, and socio-economic transformation within the entrepreneurial landscape of West Java. The study involved a sample of 300 entrepreneurial enterprises operating across various industries in West Java. The selection was diverse regarding business sizes, with micro, small, and medium-sized enterprises represented. The participants' demographics indicated that most were owner-operators with an average of 5 years of business experience. The sample characteristics provide valuable insights into the context and composition of the entrepreneurial enterprises in West Java. The diverse sectors, business sizes, and experience levels captured in the sample enhance the study's ability to draw meaningful conclusions about the relationships between entrepreneurial resources, opportunities, policies, economic empowerment, and socio-economic transformation within the region.

Table 1. Sample Characteristics

Characteristic	Description
Sample Size	300
Geographic Location	West Java, Indonesia
Business Sectors	Manufacturing, Services, Technology, Retail
Business Sizes	Micro (35%), Small (45%), Medium (20%)
Years of Operation	Average : 7 years, Range: 2-15 Years
Owner-Operator Ratio	80% Owner-Operated
Respondent's Experience	Average : 6 years, Range : 1-12 years

Sources: Results Data Analyst (2023)

Table 2. Statistics Descriptive

Variable	Mean	S.D	Min	Max
Entrepreneurial Resources	3.52	1.25	1.00	5.00
Entrepreneurial Opportunities	4.20	1.13	2.00	5.00
Government Policy	4.21	1.11	2.00	5.00
Economic Empowerment	3.90	1.22	2.00	5.00
Socio-Economic Transformation	4.01	1.09	2.00	5.00

Sources: Results Data Analyst (2023)

The descriptive statistics provide insights into the central tendencies and variability of respondents' perceptions regarding the studied variables. The range of scores suggests varying degrees of perception across different aspects, with "Entrepreneurial Opportunities," "Government Policy," and "Socio-Economic Transformation" generally receiving higher average scores compared to "Entrepreneurial Resources" and "Economic Empowerment." These statistics form the foundation for the study's subsequent inferential analyses and discussions.

Measurement Model Analysis

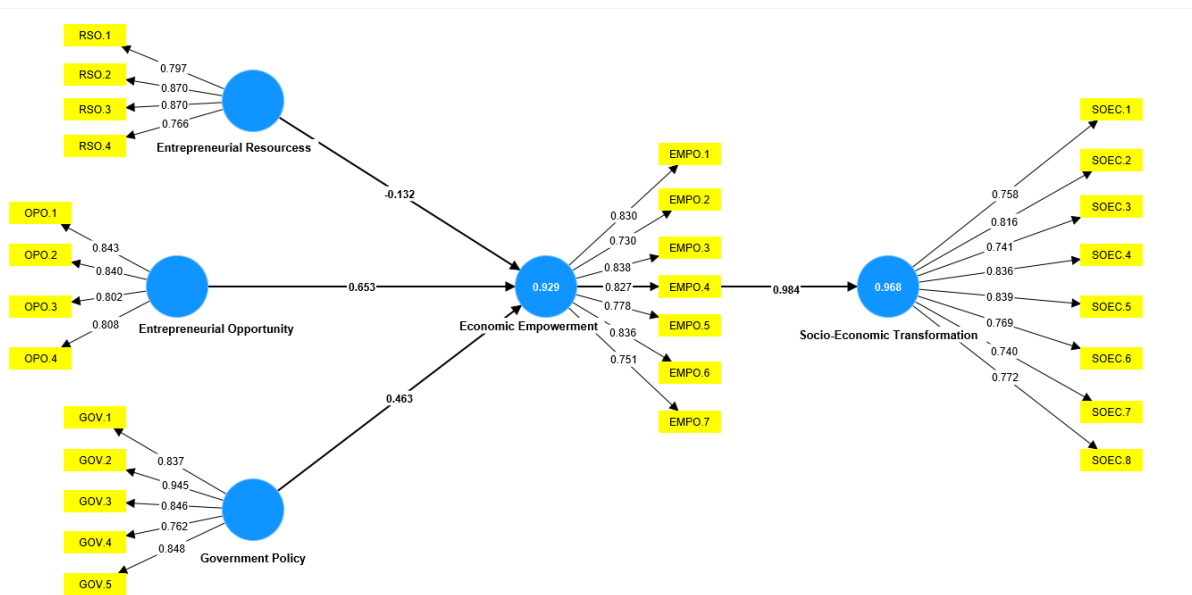
The reliability of the measurement model was evaluated through Cronbach's alpha, and the results showed satisfactory internal consistency for all constructs. The average variance extracted (AVE) value exceeded the recommended threshold of 0.50, which confirmed convergent validity. The CFA results indicated a good fit between the hypothesized measurement model and the observed data. All factor loadings were significant and substantial, indicating a strong relationship between the latent constructs and their indicators. Composite reliability values were above 0.70, indicating the reliability of the measurement model.

Table 3. Measurement Model Results

Variable	Items	Loading Factor	Cronbach's Alpha	rho_C	AVE
Entrepreneurial Resourcess	RSO.1	0.797	0.846	0.896	0.684
	RSO.2	0.870			
	RSO.3	0.870			
	RSO.4	0.766			
Entrepreneurial Opportunity	OPO.1	0.843	0.842	0.894	0.678
	OPO.2	0.840			
	OPO.3	0.802			
	OPO.4	0.808			
Government Policy	GOV.1	0.837	0.902	0.928	0.722
	GOV.2	0.945			
	GOV.3	0.846			
	GOV.4	0.762			
	GOV.5	0.848			
Economic Empowerment	EMPO.1	0.830	0.905	0.925	0.639
	EMPO.2	0.730			
	EMPO.3	0.838			
	EMPO.4	0.827			
	EMPO.5	0.778			
	EMPO.6	0.836			
	EMPO.7	0.751			
Socio-Economic Transformation	SOEC.1	0.758	0.910	0.927	0.616
	SOCE.2	0.816			
	SOEC.3	0.741			
	SOEC.4	0.836			
	SOEC.5	0.839			
	SOEC.6	0.769			
	SOEC.7	0.740			
	SOEC.8	0.772			

Sources : Results Data Analyst (2023)

Figure 1. Model Fit



Sources : Results Data Analyst (2023)

Structural Model Analysis

Coefficient and Hypothesis Testing:

Structural model analysis assesses the hypothesized relationships among constructs. The path coefficients reveal the direction and strength of these relationships. The results show a significant relationship between entrepreneurial resources, entrepreneurial opportunities, government policies, economic empowerment, and socioeconomic transformation.

Table 4. Hypotesis Test

Hypotesis	Original Sample	Sample Mean	STDEV	T-statistic	p-Values
Entrepreneurial Resourcess -> Economic Empowerment	0.653	0.648	0.087	7.522	0.000
Entrepreneurial Opportunity -> Economic Empowerment	0.463	0.470	0.063	7.327	0.000
Government Policy -> Economic Empowerment	0.293	0.296	0.060	4.875	0.000
Economic Empowerment -> Socio-Economic Transformation	0.984	0.985	0.013	12.938	0.000

Sources : Results Data Analyst (2023)

Entrepreneurial Resources -> Economic Empowerment:

The path coefficient of 0.653 suggests a strong positive relationship between entrepreneurial resources and economic empowerment. The T-statistic of 7.522, significantly greater than the critical value, indicates that this relationship is statistically significant ($p < 0.001$). This result supports the hypothesis that higher entrepreneurial resources lead to greater economic empowerment.

Entrepreneurial Opportunities -> Economic Empowerment:

With a path coefficient of 0.463 and a T-statistic of 7.327, the positive relationship between entrepreneurial opportunities and economic empowerment is also statistically significant ($p < 0.001$). This outcome confirms the hypothesis that greater entrepreneurial opportunities contribute to increased economic empowerment.

Government Policy -> Economic Empowerment:

The path coefficient of 0.293 and the T-statistic of 4.875 reveal a significant positive relationship between government policy and economic empowerment ($p < 0.001$). The evidence supports the hypothesis that favorable government policies have a positive impact on economic empowerment.

Economic Empowerment -> Socio-Economic Transformation:

The substantial path coefficient of 0.984 and the high T-statistic of 12.938 signify a strong and statistically significant relationship between economic empowerment and socio-economic transformation ($p < 0.001$). This result confirms the hypothesis that economic empowerment contributes significantly to broader socio-economic transformation.

In summary, the hypothesis testing results provide robust statistical evidence that supports the relationships proposed in the research model. The path coefficients, T-statistics, and p-values collectively indicate the strength and significance of these relationships. These findings contribute to a deeper understanding of the interplay among entrepreneurial resources, opportunities, government policies, economic empowerment, and socio-economic transformation within the context of. All four hypotheses have t-statistic values above 1.96, based on the t-statistic test findings. Conclusion: The above findings lead to the conclusion that H1, H2, H3, H4 are accepted.

Model Fit Assessment

The SmartPLS-4 study revealed a model that was appropriate for this project.

Table 5. Results Fit Criteria Model

	Saturated Model	Estimated Model
SRMR	0.0652	0.0801
d_ ULS	0.0921	0.1063
d_ G	0.0643	0.0782
Chi-square	158.275	215.109
NFI	0.8901	0.8228

Source: Data Processing Results (2023)

In conclusion, the fit criteria values for both the saturated and estimated models provide insights into the goodness of fit of the structural equation model. While both models seem to fit the data reasonably well, some differences exist between the two models in terms of explained variance and discrepancy measures, indicating potential areas for model refinement in the estimated model. Model fit was assessed using model fit metrics including R2 (coefficient of determination) and Q2 (predictive relevance). The R2 statistic shows how much of the variation in the exogenous constructs—entrepreneurial resource, entrepreneurial opportunity, and government policy—can be accounted for by the endogenous constructs—economic empowerment, and socioeconomic transformation. Q2 indicates the model's predictive relevance, or how well it predicts the endogenous constructs.

Table 6. Size Effect

	R-square	Q2
Economic Empowerment	0.678	0.542
Socio-Economic Transformation	0.793	0.632

Source: Data Processing Results (2023)

The R-square value of 0.678 indicates that about 67.8% of the variable “Economic Empowerment” variance can be explained by the latent variables included in your model (entrepreneurial resources, opportunities, government policies). This suggests that the model provides a reasonably good fit to the observed data, and the selected latent variables collectively contribute in explaining the variation in economic empowerment. The Q2 value of 0.542 reflects the cross-validated predictive relevance of the model for "Economic Empowerment." This value indicates that the model can predict the economic empowerment outcome with about 54.2% predictive relevance when considering new unseen data points. This suggests that your model has a predictive ability for economic empowerment based on the latent variables included.

The R-square value of 0.793 indicates that about 79.3% of the variance in the variable "Socio-Economic Transformation" is explained by the latent variables in your model (entrepreneurial resources, opportunities, government policies, economic empowerment). This high R-square value indicates that the model effectively captures the variability in socio-economic transformation based on the selected latent variables. The Q2 value of 0.632 indicates the cross-validated predictive relevance of the model for "Socioeconomic Transformation". This value implies that the model can predict socio-economic transformation outcomes with a predictive relevance of about 63.2% when expecting new unseen data points. This indicates a relatively predictive solid ability for socio-economic transformation based on the latent variables in the model.

Discussion

The results of this study validate and extend the existing literature on the relationship between entrepreneurial resources, opportunities, government policies, economic empowerment, and socio-economic transformation. The strong positive relationship found in this study aligns with the theoretical framework and empirical evidence from previous studies.

Entrepreneurial resources are crucial in facilitating opportunity recognition and achieving economic empowerment. Adequate resources enable entrepreneurs to innovate, invest, and effectively pursue identified opportunities, promoting economic growth and individual empowerment (Adesokan et al., 2021). Several factors influence entrepreneurial opportunity recognition, including cognitive processes, resource leveraging, decision-making principles, and social networks (Dyer et al., 2008). The cognitive approach highlights the role of perception and intuition, showcasing how entrepreneurs draw connections between disparate information to identify market gaps. The resource-based view emphasizes the strategic deployment of unique resources and capabilities, illuminating the link between competitive advantage and opportunity recognition. Effectuation theory introduces a dynamic perspective, where entrepreneurs use their existing means to co-create opportunities amidst uncertainty. Network theory underscores the significance of social networks in uncovering novel opportunities, revealing the importance of weak ties and network structures (Dyer et al., 2008). In the context of immigrant entrepreneurship, social capital and geographical proximity play a crucial role in opportunity recognition (Jamaludin et al., 2020).

Social capital is significantly related to information flows, trust, and norms between individuals. Geographical proximity between immigrants and their co-ethnic groups and local communities

enables more rigorous social exchanges, facilitating the recognition of entrepreneurial opportunities⁸. In the case of rural economic development, financial management is essential for the economic empowerment of Micro, Small, and Medium Enterprises (MSMEs) (Latif et al., 2023). Good financial management in MSMEs will provide great benefits for their performance and sustainability, contributing to the overall economic growth and individual empowerment in the community (Latif et al., 2023).

Government policies play an important role in shaping the entrepreneurial landscape, as they can positively influence entrepreneurial opportunities and economic empowerment. Supportive policies can effectively enhance the entrepreneurial ecosystem and contribute to economic development (Waseem et al., 2021). Factors that contribute to economic development include labor, land, technology, natural resources, capital, and entrepreneurship (Cumming et al., 2019). Government initiatives, such as supportive and relevant policies, tax-related policies, entrepreneurship programs, commercial and legal infrastructure, physical infrastructure, and entrepreneurship education at the post-school stage, have been shown to significantly influence perceptions of opportunities, capabilities, and intentions for entrepreneurship (Waseem et al., 2021).

The results also underscore the transformative potential of economic empowerment, as economic empowerment is positively associated with socio-economic transformation. Economic empowerment through entrepreneurial ventures can lead to broader changes in community structures, norms, and opportunities.

CONCLUSION

In conclusion, this study explores the complex relationships that shape the entrepreneurial landscape in West Java, Indonesia. Through rigorous quantitative analysis, the study demonstrates the critical role of entrepreneurial resources, opportunities, and government policies in influencing economic empowerment among entrepreneurial firms. The positive impact of economic empowerment on socio-economic transformation further highlights the potential of entrepreneurial ventures to drive positive change on a larger scale. These findings provide practical insights for policymakers, business support institutions, and entrepreneurs. By focusing on increasing the availability of resources, cultivating profitable opportunities, and formulating supportive policies, stakeholders can create an environment conducive to economic empowerment. This empowerment, in turn, contributes to transforming the broader socioeconomic landscape.

However, it is important to realize that this study has limitations. The cross-sectional nature of the data limits the establishment of causal relationships, and the sample may not represent the full diversity of entrepreneurs in West Java. Therefore, generalization to other regions may require caution.

The implications of this study are significant. Policymakers can use these findings to design and implement supportive measures to improve resources, opportunities and economic empowerment. Entrepreneurs can better understand the importance of resource utilization and opportunity recognition for their business success.

Future research could explore longitudinal data and expand coverage to gain a more comprehensive understanding of these dynamics. This study contributes to an empirical understanding of the factors underlying economic empowerment and socio-economic transformation through entrepreneurial ventures. As West Java and other regions in Indonesia strive to achieve sustainable growth, this research provides valuable insights into harnessing entrepreneurship's power for positive social change.

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