



## Designing the Structural Equation Model of Agricultural Entrepreneurship Development in Rural Areas of Iran (Case Study: Villages of Marvdasht County)

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### Abstract

Although entrepreneurship is not the only way to create jobs and increase incomes of rural people, but can definitely say it is the best and most profitable type. Actually, the question of revitalizing rural and peripheral regions through the promotion of agricultural entrepreneurship has generated considerable attention. Therefore, the main purpose of this descriptive-correlative study was to design the structural equation model of agricultural entrepreneurship development in villages of Kamfiruz district, Marvdasht County in Iran. The population of the study consisted of all families of 20 villages (N=3106). According to the Bartlett et al table, a sample of 197 head of households was selected using stratified random sampling technique. The data were collected by the questionnaire consisting of personal and professional features of the respondents and preceding studies related to measuring the components of agricultural entrepreneurial development (including innovativeness, renewal, pro-activeness and risk-taking) and the structures affecting the development of agricultural entrepreneurship in rural areas (including social capital, subjective norms, self-efficacy belief and local institutions). The content validity of the questionnaire was confirmed by a panel of experts. The construct validity and the composite reliability of the research instrument were tested by estimating the measurement model and they were satisfied after making necessary corrections. The data were analyzed using SPSS<sub>win22</sub> and AMOS<sub>21</sub> soft wares. The results showed that there was found an acceptable fitness of the model used in the present study, which confirm the study hypothesis. Based on the villagers opinion, social capital, subjective norms, self-efficacy belief, and local institutes explained 46.8 percent of variance in developing the agricultural entrepreneurship. It is recommended that the role of government and officials in agricultural entrepreneurship should be more highlighted to encourage the villagers in entrepreneurship.

#### Keywords:

Entrepreneurial Development, Agriculture, Structural equation Model Kamfiruz

### 1. Introduction

At the moment, a large number of rural areas in the world particularly in the developing countries are experiencing the problems and various challenges such as poverty, underemployment, environmental degradation, the persistence of inequality in the distribution of opportunities and resources between urban and rural areas (Heilig and Gerhard, 2002 &

Karimi, 2014; Rezvani, 2011) expressing dissatisfaction in majority of villagers about their life conditions. Moreover, the devaluation of farming as a profession, low-income of farmers, and migration to urban areas accelerate the rate of these problems (Petridou and Glaveli, 2008). Hence, in recent decades the role of entrepreneurship as a main component in economy of developing countries has

been sharply significant (Poza and Dougherty, 2013), and the transition of the related challenges in agricultural communities and reaching to sustainability, profitability and productivity should be performed (Nainggolan, 2003; Damianos and Sluras, 1996). Agricultural entrepreneurship is in accordance with aims of sustainable agriculture to reach the sustainable development. In addition, development of agricultural chain, diversification of agriculture and rural economy, innovation and technology development in agriculture, enhancement of productivity, exploitation of relative competitive and commercial advantages, employment generators, rising the added value, increasing the quality and new products, expanding market of agricultural products, investment in agriculture are derived from developing the agro-entrepreneurs (Sharifzadeh *et al.*, 2009).

Although entrepreneur development is a sing of entrepreneurial development in the agriculture, it seems complex due to the multiple counties of effective factors and nature of entrepreneurial behavior (Enting, 2001). In this way, there are many factors affecting the development of entrepreneurship so that based on the previous studies, development of entrepreneurship can be considered as an appropriate strategy to solve the problems of villagers via increasing participation, activating social sources, and applying local human sources (Hashemi *et al.*, 2011; Heydari-Sareban, 2015). The need to move towards commercial and competitive agriculture based on market forces, changes the activity of farmers in respect to past so that, innovatively and creatively "agricultural producers" changes to "agricultural entrepreneur" to identify opportunities in the market and exploit them better than others (Eskandari, 2006). Developing agri-business especially in desired areas like Kamfiruz (Marvdasht County) in Iran, is a symbol of entrepreneurship in the agriculture system. It needs an appropriate infrastructure, planning and providing supporting services (such as education, credits, technology etc.), finding the potential areas, monitoring to identify the threats and challenges and utilizing the opportunities and capacities. Therefore, due to lack of the comprehensive study in developing agri-business and entrepreneurship, the present study was conducted to investigate structural equation modeling of the development in agricultural entrepreneurship in rural areas of Kamfiruz County of Marvdasht, Iran.

### **1.1 Theoretical principle Agricultural Entrepreneurship**

Based on the view of Francois Quensay and Nicolas Baudeau, land is the best source of wealth (Hezarjoribi, 2005). In this regard, agriculture is the most important factor in livelihood of poor villagers

and has an important role in production and employment. So in the current situation of the Iran's economy with features of unemployment, economic inactivity and limited governmental investment, the consideration of agriculture is more fortified (Eftekhari *et al.*, 2009). Policymakers, planning and agriculture experts believe that because of the evolution mentioned above, a structural change in current methods of agricultural production is needed, and market-based agriculture in the context of sustainable development is the main strategy for development of agriculture. As a result, changes made in the market, agricultural policies and society (unemployment, environment, biodiversity, natural resources, etc.) are factors that highlight the necessity of entrepreneurship in agriculture more than past (Marsden and Smith, 2005). Today, development of small and medium sized enterprises (SMEs) is an appropriate strategy for development of agricultural section, paving the way for overcoming challenges such as stability, benefit, and efficiency (Nainggolan, 2003; Champagne *et al.*, 1990). Agricultural Small and Medium-sized Enterprises (ASMEs) are responsible for a large part of products and services of agricultural section and are significant for creating job opportunities and income. By creating job opportunities, supplying basic needs, and connection with other economic section, ASMEs can play an important role in development of rural and suburban zones (Maleksaeidi *et al.*, 2011).

To address the questions of why establishing enterprises in agricultural section are of significance, one can point out to the achievement and results obtained from entrepreneurship which were in the line with the ideals and goals of sustainable development in agriculture (Karimi *et al.*, 2010; Sharifzadeh *et al.*, 2008). Nevertheless, SMEs and, in particular, in particular, ASMEs often face some problems in achieving an appropriate performance, especially in the early stages. In other words, restructuring the agricultural sector and thus change the national and international policies increases the demand for entrepreneurial activities among farmers in most areas of the world (Bohnstedt and Durbeck, 1998). Therefore, due to requirements and importance of business and entrepreneurial context, it is necessary to study the principal functions of agricultural businesses.

It is proved that individual, social, economic, supporting, and cultural factors are the hidden aspects of entrepreneurship, which has been derived from one-dimensional look at entrepreneurship up to now (Eftekhari *et al.*, 2009). So, the effective factors on developing the agricultural entrepreneurship in rural areas based on various studies on social capital (Moyes *et al.*, 2015;

Kristiansen, 2004; Heydari-Sareban, 2015; Yadollahi-Farsi and Rezavi; 2012), subjective norms (Meyer *et al.*, 2010), self-efficacy beliefs (Carr and Sequeira, 2007; Bandura, 2002) and communication with local institutions (Hashemi, 2011; Hashemi *et al.*, 2013) can be mentioned.

### Subjective norms

Subjective norms reflect social pressures, which the person needs to a particular behavior, i.e. the person refers to a group and adjusts the related behavior based on the group principle (Fayolle *et al.*, 2006). Subjective norms are formed based on the culture of society. It is defined as a collection of thoughts and activities (Karimi *et al.*, 2010), mutual values and beliefs (Licht and Siegel, 2003). This approach links entrepreneurship to social and cultural issues, and culture is the determinative factor of entrepreneurship as well as proportion between ideological structure and economic behavior is necessary for growing entrepreneurship.

The equation of subjective norm is described as a follow:

Equation 1:  $SN \propto \sum n_i m_i$ , where SN (Subjective Norms) is the total values of subjective norms;  $n_i$  (Normative) is the belief on behavior, which  $i$  agrees or disagrees with behavior performance;  $m_i$  (Motivation) means motivation to obey  $i$  (Wauters *et al.*, 2010). Based on the literature review, hypothesis 1 is described as presenting the significant relationship between subjective norms and developing the agricultural entrepreneurship. Therefore, the first hypothesis was offered as:

H1: There is a significant positive relationship between subjective norms and developing the agricultural entrepreneurship in rural areas.

### Social capital

There have been presented different definitions of social capital by scholars. According to Putnam, the main idea of social capital theory comes from valuable networks and social relations between individuals and groups (Torfi *et al.*, 2011). His look on social capital is in a large scale, and it is considered as a main component in economic growth (Amiri and Rahmani, 2006). In addition, social capital is determined based on 1. social networks, 2. civic participation, 3. local identity, and 4. trust, mutual support and assistance (Toqraie and Rezvani, 2012).

Rural communities need to move beyond their market remoteness and limitations by engaging in innovation and entrepreneurship that will enhance rural economic growth and strength. Self-development efforts provide opportunities for remote regions to increase their entrepreneurship activities,

strengthen the rural economy, and enhance social interaction. The critical attribute of self-development is revitalization<sup>4</sup> of the community, which affects not only the rural community but also its socioeconomic climate (Sutton, 2010). Social capital is a main source of villages so that it significantly affects the life quality of people (Tiepoh and Reimer, 2007). People who have high level of social capital can easily create the opportunities and increase their investment in respect to those with low economic level (Batjargal, 2007). There is a significant relationship between social capital and development of agricultural entrepreneurship. Based on the literature discussed above, we propose the following hypothesis:

H2: There is a significant positive relationship between social capital and development of agricultural entrepreneurship in rural areas.

### Self-Efficacy Belief

Bandura (1997) indicates belief in self-efficacy is thoughts to demonstrate the ability to achieve successful goals (Carr and Sequira, 2007). In other words, without a strong sense of self-efficacy "there is a little motivation to act or to persevere under difficulties" (Bandura, 2002). Self-employment has a significant effect on choosing a career, developing the career activities, capabilities and professional job performance (Rahmanian-Koushkaki *et al.*, 2011). Moreover, most researchers have shown that self-efficacy plays a key role in the process of creating businesses (Muller and Dato-on, 2008). In this regard, it has been recorded that this parameter has a significant impact on reinforcing entrepreneurship and increases the probability of business; in fact, persons who believe on their abilities can use the opportunities (Rezaie, 2014). Therefore, the third hypothesis was offered as:

H3: Self-efficacy has a significant positive impact on the agricultural entrepreneurship.

### Local institutions

Nongovernmental organizations is the main tool to reach the successful entrepreneurship in rural areas, which can determine the most appropriate opportunity based on the capability of local people (Hashemi *et al.*, 2013). Hence, local institutions due to focus on all capabilities of local people can make a suitable situation to use the opportunities appropriately. Therefore, the four hypothesis was offered as:

H4: There is a significant positive relationship between local institutions and developing the agricultural entrepreneurship. The structural equation of agricultural entrepreneurship in Kamfiruz has been presented based on literature review and experimental studies (Figure 1).

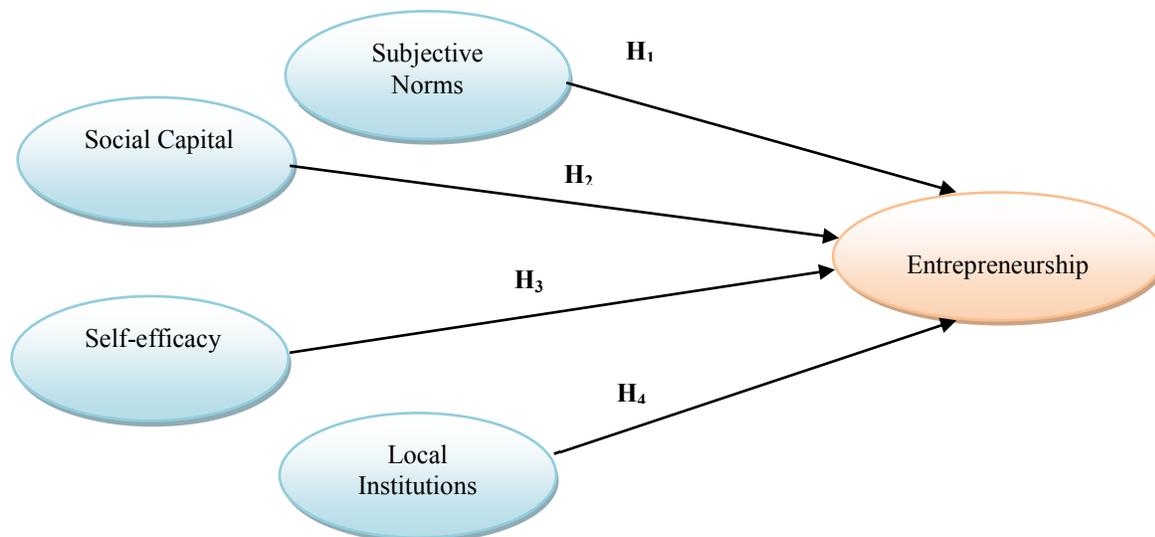


Figure 1. The Conceptual Research Model.

Table 1. The number of observed variables in each component and their corresponding symbol

Section	Sub-section	Items	Symbol of variable
Agricultural Entrepreneurship*	Renewal	Sustainable replacement of the old methods by modern ones (Renewal 1); applying new techniques in agricultural marketing (Renewal 2); high rates of introducing new products to market in agriculture (Renewal 3); the use of new technology in various agricultural activities (Renewal 4); the change in the quantity and quality of goods and services during the past few years (renewal 5).	EREN1-EREN5
	Pro-activeness	Pro-activeness in agricultural business ( Pro-activeness 1); Pro-activeness in presenting a new agricultural product (Pro-activeness 2); Pro-activeness of villagers in changing the agricultural marketing techniques (Pro-activeness3); applying net techniques to compete with others (Pro-activeness 4).	EPRO1-EPRO4
	Risk-taking	Farmer welcoming of innovative practices in the use of new technologies (risk-taking 1); tolerating the high risk projects with enormous profits in agriculture (risk-taking 2); tendency to reasonable risks in providing innovative services in agriculture (risk-taking 3); supporting small and innovative projects in agriculture by farmers (risk-taking 4).	ERIS1-ERIS4
	Innovative-ness	Providing new services in different aspects to agricultures (renewal 1); supporting new methods and procedures to improve agriculture output (renewal 2); use of new techniques to reach an optimum value of commercial goals (renewal 3); thinking on finding the new method to get the agricultural entrepreneurship (renewal 4); focusing on developing the innovation in agriculture (renewal 5).	EINN1-EINN5
Factor affecting the agricultural entrepreneurship**	Social capital	If there is a plan to develop the village, I will participate in the project (Social Capital 1); in the necessary conditions, I can count on my neighbor's help (social capital 2); I enjoy the people with different customs (social capital 3); I participate in group activities in the village without wage (social capital 4); I participate in village problems (social capital 5).	SC1-SC5
	Subjective Norms	Other farmer consult me to their tasks (subjective norms 1); farmers encourage me to join their cooperatives (subjective norms 2); the staffs of agricultural offices expect me to use new methods (subjective norms 3); the opinion of my family and friends is important for me (subjective norms 4).	SN1-SN4

Section	Sub-section	Items	Symbol of variable
	Self-efficacy	I have an appropriate knowledge to make an agricultural business (self-efficacy 1); the condition to make an agricultural business is complex and difficult (self-efficacy 2); the financial issue drives me to make a business (self-efficacy 3).	SE1-SE3
	Local Institutions	How much local institutions are effective in obtained the asset to start a business (local institute 1); how much local institutions can obtain the governmental capital for making new opportunities (local institute 2); how much training of local institutes make a suitable opportunities to villagers (local institute 3); is the license easy in respect to past due to the activity of local institutes (local institute 4); what is the role of local institutes to collaborate between banks and villagers such as getting loans (local institute 5).	LI1-LI5

\*5-level Likert scale (from 1=very low up to 5=very high)

\*\*5-level Likert scale (from 1= I completely disagree up to 5= I completely agree)

## 2. Materials and methods

With respect to the purpose of the current study, this research is of the applied type done by causative-relational method, and is performed based on covariance-variance matrices analysis. The study population consisted of 3106 families of 20 villages of the Kamfiruz. A proportional stratified random sample of 197 head of households was selected from two rural districts of the Kamfiruz.: Khorammakan and South Kamfiruz. Using the Table of Bartlett *et al.* (Bartlett *et al.*, 2001), for determining sample size from a known population. The data were collected by questionnaire consisting of personal and professional features of the respondents and preceding studies related to measuring the components of agricultural entrepreneurial development (including innovativeness, renewal, pro-activeness and risk-taking) and structures affecting the development of agricultural entrepreneurship in rural areas (including social capital structure, subjective norms, self-efficacy belief and local institutions) (Table 1). To measure the components of development in agricultural entrepreneurship, Antoncic and Hisrich (2001) questionnaire was used, and to evaluate structures influencing the development of agricultural entrepreneurship in rural areas, the different questionnaires such as Hashemi *et al.* (2011) and Farahani *et al.* (2013) were applied. All data were submitted to AMOS21.

## 3. Results and discussion

### 3.1 Descriptive and Inferential Statistics

The respondents' age ranged from 17 to 83 years old ( $M= 50.76$ ,  $SD= 16.21$ ). Farming experience of the respondents ranged from 4-80 with mean of 31.19 ( $SD= 18.09$ ) years. In terms of education, 33.1 percent of the respondents were illiterate, 48.1 percent attended elementary and

secondary school, and 18.8 percent had high school and higher degrees of education. About 9.24 percent of the respondents were employed in other jobs besides their farming, as baker, worker, teacher, driver, etc. Regarding the farm size, 36.9 percent of the respondents' farm size was below 5 hectare (ha), while the majority had a farm larger than 5 ha. About 54.7% of the respondents had participated in extension education programs. About 42.2% of them were members of rural cooperatives.

The average values of the effective factors on developing the agricultural entrepreneurship in rural areas were calculated. Table 3 presents the mean, and standard deviations for these variables. As illustrated by the table, farmers' Self-efficacy was below the average of the items. A mean score of 3.08 ( $M= 3.08$ ,  $SD= 1.10$ ) was reported for this variable. As indicated by subjective norms, it is clear that farmers perceive very low social pressure to perform the developing the agricultural entrepreneurship in their farm decisions ( $M= 2.16$ ,  $SD= 0.97$ ).

For data processing, AMOS (Analysis of Moment Structure) version 21, was employed. AMOS software is usually used to do structural equations model in the form of two approaches of confirmatory factor analysis (CFA) and path analysis for the purpose of hypotheses testing. Indeed, the structural equations model is a comprehensive statistical approach to test hypotheses about the relations between observed variables and latent variables. Through this approach, we could test acceptability of theoretical models in special societies. Generally, the relations among variables in structural equations model are divided into two general fields: (1) The relations between latent variables with observed variables (measurement step or confirmatory factor analysis model), and (2) the

relations between latent variables with latent variables (structural step or path analysis model).

To determine the validity, content validity and construct validity (e.g. convergent, diagnostic and logical validity) were used. Content validity of the questionnaire was assessed by a number of faculty members of Geography and Rural Planning Department at Science and Research Branch, Islamic Azad University and the required revisions were made accordingly. Three criteria including standard operating loads equal to and greater than 0.50, average variance extracted (AVE) to and greater than 0.50 and reliability equal to and greater than 0.60 were selected (Hair *et al.*, 2010). To evaluate diagnostic accuracy, the correlation of AVE and latent factors should be considered so that square of the correlation between the two latent factors should be smaller than their average variance extracted to receive a proper diagnosis validity (Ibid: 679). In addition, mix reliability was applied to all aspects of reliability, which its value should exceed 0.60 (Table 2). A confirmatory factor analysis using AMOS21 was used to test the measurement model

(i.e., to confirm the structure of constructs) (Hair *et al.*, 2006). According to the diagnostic indices (Table 3), the measurement model demonstrated a fairly good fit in that all of its model-fit indices surpassed common acceptance levels.

Testing the model and fitting it with the field data is one of the main goals of structural equations. For this purpose,  $\chi^2$ , Root Mean Square Residual, Incremental Fit Index, Comparative Fit Index, Root Mean Square Error of Approximation were used. The structural models were in acceptable level (Table 3). The structural model showed there was found an acceptable fitness of the model used in the present study. According to figure 2, based on the villagers opinion, social capital, subjective norms, self-efficacy belief, and local institutes explained 46.8% of variance in developing the agricultural entrepreneurship. To study and test the hypotheses in causal relations among research variables, the modeling techniques of structural equation were used so their results have been presented in table 4.

Table 2. Means and standard deviations of the items used in the SEM analysis.

Measure	Mean	SD
Social capital	3.62	1.19
Subjective norms	2.16	0.97
Self-efficacy	3.08	1.10
Local institutes	2.35	1.35
Agricultural entrepreneurship	3.62	1.18

Table 3. Average Variance Extracted (AVE), Composite Reliability (CR) and correlations of all constructs

Main part of questionnaire	Variable	CR	AVE	The correlations of all constructs			
				Renewal	Pro-activeness	Risk-taking	Innovativeness
Developing the agricultural entrepreneurship	Renewal	0.813	0.562	1			
	Pro-activeness	0.845	0.671	0.628**	1		
	Risk-taking	0.862	0.692	0.559**	0.736**	1	
	Innovativeness	0.878	0.648	0.487**	0.429**	0.567**	1
	Total	0.850	0.643				
Factor effecting agricultural entrepreneurship	Social capital	0.755	0.623	1			
	Subjective norms	0.880	0.578	0.557**	1		
	Self-efficacy	0.788	0.556	0.539**	0.427**	1	
	Local institutes	0.885	0.729	0.615**	0.368**	0.366**	1
	Total	0.810	0.641				

Source: Research Findings, 2017

\*\* : Shows significance at 0.01 level

Table 4. Comparison of the measurement and structural models with fitness coefficients

Fitness coefficient	The recommended criterion	The results		
		The measurement model of agricultural entrepreneurship	The measurement model of social and individual structures	The structural model of the study
$\chi^2/df$	$3 \geq$	1.893	2.229	2.537
IFI	$\geq 0.90$	0.96	0.91	0.93
RMR	$0.10 \geq$	0.037	0.043	0.049
CFI	$\geq 0.90$	0.95	0.91	0.93
RMSEA	$0.10 \geq$	0.069	0.074	0.07
GFI	$\geq 0.90$	0.97	0.90	0.91

Source: Research Findings, 2017

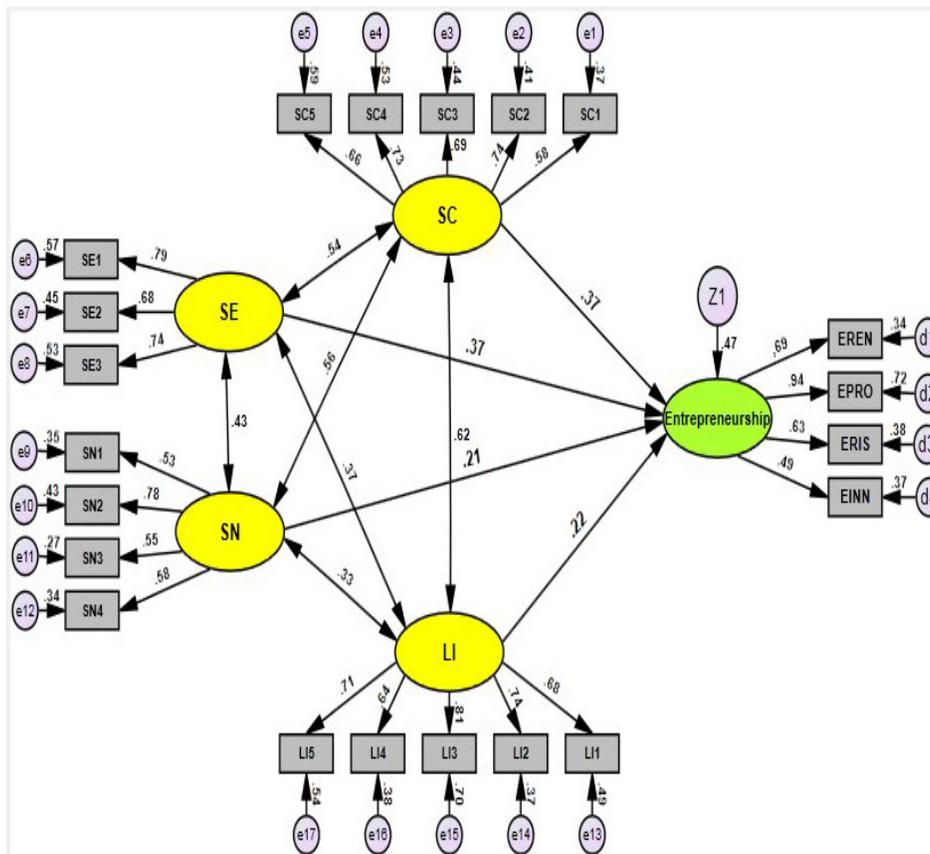


Figure 2. The structural equation model with their standard indices. Source: Research Findings, 2017

Table 5. The test of main hypotheses used in the present study

Research hypothesis	Standard coefficient	t	Sig.	Result
There was a significant relationship between social capital and agricultural entrepreneurship.	0.369	3.367	0.001	Proved
There was a significant relationship between subjective norms and agricultural entrepreneurship.	0.207	2.958	0.001	Proved
There was a significant relationship between self-efficacy belief and agricultural entrepreneurship.	0.366	3.483	0.001	Proved
There was a significant relationship between local institutes and agricultural entrepreneurship.	0.218	3.101	0.001	Proved

Source: Research Findings, 2017

#### 4. Discussion and Conclusion

##### 4.1 Discussion

By taking into account the importance of the subject, this research was conducted to investigate the individual and social structures affecting the development of agricultural entrepreneurship in the rural areas of Kamfiruz District, Marvdasht County. The findings of the study of relationships between research variables reveal important points in order to achieve the research objectives. According to the first hypothesis, social capital had a positive and significant relationship with the development of rural entrepreneurship at 1% level. In other words, the villagers who benefit from higher social capital can easily have access to sources of knowledge and awareness in order to promote production and added value and are able to create new economic activities and to protect their existing activities and even improve them. These results are in line with the studies of Heydari Sarban (2015), Yadollahi Farsi et al. (2012), Moyes et al. (2015), Krause et al. (2007), Lin and Huang (2005) and Baron and Ward (2004). In addition, the social capital structure has the highest impact with a beta value (386%) (standardized regression coefficient). Regarding the interpretation of the positive relationship between subjective norms and the development of rural entrepreneurship, it is worth noting that consistency of the norms of society, i.e., a set of personal beliefs and values of individuals that are influenced by the norms of the rural community with entrepreneurial activities encourages the person to set up an entrepreneurial business in the countryside. This relationship has been emphasized in other studies, including the studies by Rahmanian Kouckí et al. (2011), Baranie et al (2010), Carr and Sequeira (2007), and Fayolle et al. (2006). There is also a positive relationship between perceived family support and the development of rural entrepreneurship, indicating that the children of families whose members are supporting entrepreneurial activities will also show more willingness and encouragement to set up a business. This finding is also in line with the results of the research by Rahmanian Kouckí et al. (2012), Stahm et al. (2006), and Fairlie and Robb (2007). According to the research findings (fourth hypothesis) that there is a positive relationship between self-efficacy belief and rural entrepreneurship development, the results showed that higher self-efficacy belief in individuals can guarantee a greater assurance of the individual's ability to get a pleasure from taking a risk. Hence, it is expected that such a person will take a step towards implementing a career plan and choosing an entrepreneurial career path with more determination and purpose and, consequently with more flexibility.

This finding is consistent with the results of studies by Carr Sequeira (2007), Van Dam et al. (2010) and Lee et al. (2011). In conclusion, the results indicate a positive and significant relationship between the structure of local institutions and the development of entrepreneurship in the studied population. In fact, with a focus on individuals and organizations that have the motivation, the capital and the skills and expertise necessary to start rural businesses, local institutions provide a framework for creating an entrepreneurial environment and stimulating the rural community towards entrepreneurship. This finding is consistent with the results of Hashemi et al. (2013) and Hashemi (2011).

##### 4.2 Conclusion

According to the above cases, it can be argued that based on the findings of all the hypotheses, there is a positive and significant relationship between the development of rural entrepreneurship and individual and social structures, so that the positive and significant relationship between the development of rural entrepreneurship and social capital structures, mental norms, perceived family support, belief in self-efficacy and emphasis on local institutions were supported in the studied groups. The results of the research indicated that both individual constructs (subjective norm, perceived family support and self-efficacy), and social (social capital and local institutions) are related to the development of agricultural entrepreneurship in rural environments. Therefore, we can conclude that improving the individual and social measures of the villagers will result in the promotion of entrepreneurship. Based on the results obtained from the review of research hypotheses, the following suggestions are presented:

Concerning the results of the first hypothesis (emphasizing the positive and significant relationship between social capital and the development of rural entrepreneurship in agriculture), it is suggested that by encouraging and strengthening the spirit of cooperation and workgroup among farmers, establishment of popular associations in the village, reducing farmers' disputes over ownership of land by issuing documents for rural lands, efforts to create employment and strengthen people's relations and participation of villagers, managers and relevant authorities at different levels can provide the necessary platforms for entrepreneurial behavior.

It is also recommended that by building entrepreneurship centers in rural locations, providing support services and counseling for farmers at the village level through education and awareness of entrepreneurship as well as establishing good relationships with their families and establishment of social interactions in the form of group and family

work, trust and positive attitude among farmers and, as a consequence, conditions for setting up entrepreneurship activities in agriculture will be created.

According to the results of the second hypothesis (there is a positive and significant relationship between subjective norms and rural entrepreneurship development with an emphasis on agriculture), we suggest the authorities that in order to maintain and value creative activities, there is a need for motivating factors in farmers through rewarding and revering successful farmers and entrepreneurs. Also, the role of customs and cultural values among the villagers as one of the important structures that will have an impact on the development of entrepreneurship among farmers should also be highlighted.

Based on the results of the third hypothesis (there is a positive and significant relationship between self-efficacy and entrepreneurship development), it is recommended that by visiting successful projects of agricultural entrepreneurs, inviting farmer entrepreneurs to give their experiences in starting a business as well as visiting successful businesses to farmers and providing trainings such as writing a business plan and managing it, managers and relevant authorities in different levels facilitate conditions for pioneer farmers.

Also, according to the results of the fourth hypothesis (there is a positive and significant relationship between the emphasis on local institutions and the development of rural entrepreneurship with an emphasis on agriculture), it is suggested that by taking some measurements such as helping to establish a link between local institutions, strengthening and promoting public monitoring of the performance of various executive systems, helping to better implement government programs (*early* return enterprises, economic projects, etc.), the necessary platform for the better and more efficient development of local institutions will be provided.

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