

Institutional Support Towards Youth Engagement in Agricultural Entrepreneurship: Evidence from South Bihar, India

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Abstract:

Rural youth can benefit from agricultural entrepreneurship if they are supported by institutions; however, their involvement and well-being might rely on this support. This current study looks at the relationship between Institutional Support, Youth Engagement in Agricultural Entrepreneurship and Youth Welfare among youth agricultural entrepreneurs of South Bihar, India. The study is based on institutional theory with quantitative research design. A structured questionnaire was used to collect the data from 397 young agricultural entrepreneurs of 17 districts in South Bihar. Partial Least Squares Structural Equation Modelling (PLS-SEM) technique was used to analyze the data in SmartPLS 4. The results show that Institutional Support has positive and significant effect on Youth Engagement ($\beta = 0.252$, $p < 0.001$). Youth Engagement has a significant positive effect on Youth Welfare ($\beta = 0.597$, $p < 0.001$). Institutional Support has a strong positive effect on Youth Welfare ($\beta = 0.164$, $p < 0.001$). The mediation analysis also demonstrates that Youth Engagement is a significant mediator between the relationship between Institutional Support and Youth Welfare ($\beta = 0.150$, $p < 0.001$). There are considerable direct and indirect effects, suggesting a partial mediation in a complementary manner. The model accounts for 43.2% of the variance in the Youth Welfare and positive values of Q^2_{predict} signify predictive relevance. The findings reveal that institutional support has a positive impact on welfare outcomes of young entrepreneurs, if they are engaged in agricultural enterprises. The study highlights the importance of holistic support including financial, training, technical assistance, market linkage and information on government support. The study has an added value to the literature as it has provided an empirical linkage between institutional support and youth engagement and their welfare under the umbrella of agricultural entrepreneurship in South Bihar.

Keywords: Institutional Support; Youth Engagement; Agricultural Entrepreneurship; Youth Welfare; PLS-SEM; South Bihar; India

1. Introduction

Although agriculture is still a significant part of India's livelihood and economic activity, it is now expected to offer opportunities beyond the traditional production. Agricultural entrepreneurship include dairy, horticulture, fisheries, poultry, value addition, food processing, marketing, distribution and agricultural inputs. These can generate employment opportunities and enhance the livelihoods potentialities in rural areas (McElwee, 2006; Haldhar et al., 2023).

Youth are a key player in this shift as they are able to introduce new ideas, technology and market-oriented practices into agriculture. Studies of Indian agricultural students reveal that agripreneurship is emerging as a feasible career choice, and that entrepreneurial intentions can be affected by institutional and educational support (Amaran et al., 2025). But there are still financial, technical, informational and institutional challenges faced by rural youth in engaging in agricultural activities (Mishra & Singh, 2024; Jyoti et al., 2026).

Various initiatives have been launched by the Government of India to encourage agricultural entrepreneurship among youth. The Innovation and Agri-Entrepreneurship component under RKVY-RAFTAAR, promotes innovation, incubation and entrepreneurial activities (Ministry of Agriculture & Farmers Welfare, 2020). In the same way, Attracting and Retaining Youth in Agriculture (ARYA) fosters the development of agricultural and

allied enterprises by rural youth. Based on the result of ARYA, it has been observed that the youth involved in ARYA have improved their livelihood status, earning capacity as well as their interest in agripreneurship (Mohanty et al., 2025).

While these efforts have been made, young agricultural entrepreneurs still need finance, training and technical guidance, market information and institutional support. Kademani et al. (2025) listed institutional support as a technical support, financial support, legal and bureaucratic support and production and marketing support. Additionally, the results indicate that financial assistance was relatively low, which indicates credit and funding accessibility gaps.

An explanation of this support is provided by institutional theory. Institutions influence the incentives, constraints and opportunities which shape economic decisions (North, 1990). Also they may influence on entrepreneurial decisions, opportunity generation and enterprise growth (Busenitz et al., 2000; Tolbert et al., 2011). Therefore, the institutional environment in which young entrepreneurs are operating has an impact on the agricultural entrepreneurship other than the personal attributes of the entrepreneurs.

It is suitable to explore this relationship in South Bihar. The study has been conducted in 17 districts of Bihar namely Arwal, Aurangabad, Banka, Bhagalpur, Bhojpur, Buxar, Gaya, Jamui, Jehanabad, Kaimur, Lakhisarai, Munger, Nalanda, Nawada, Patna, Rohtas and Sheikhpura. These districts are suitable for studying youth agricultural entrepreneurship, as they are having diversified agriculture and allied activities.

The present study aimed at identifying the areas of Institutional Support (INS), Youth Engagement in Agricultural Entrepreneurship (YE), and Youth Welfare (YW). It covers the impact that institutional support has on youth engagement, youth engagement has on youth welfare, and the mediation impact that youth engagement has on the relationship between institutional support and youth welfare.

In the context of the existing literature, the study has the merit of utilizing institutional theory for the study of youth agricultural entrepreneurship in South Bihar and also examining the youth engagement as a medium by which institutional support can be conducive to youth welfare.

2. Literature Review

Agricultural entrepreneurship has been evolving from agriculture to non-agricultural activities like processing, marketing, value addition and other agricultural services. These activities require entrepreneurs to identify opportunities, manage resources and respond to changes in the market (McElwee, 2006). Agriculture and allied activities offer multiple opportunities to the rural youth for initiating their own businesses. But, finance, skills, training, mentoring and institutional support are the factors that can impact their participation in such activities (Haldhar et al., 2023; Mishra & Singh, 2024). It was also observed by Amarant et al. (2025) that institutions and educational factors are significant in influencing the agripreneurial intention of agricultural students in India.

Institutional Theory describes the effect of formal & informal institutions on economic & entrepreneurial activities. Institutions offer rules, incentives and conditions which can impact the decisions and opportunities of individuals (North, 1990; Scott, 2014). The institutional environment has been found to affect both entrepreneurial decisions and the emergence of new business opportunities in previous research (Busenitz et al., 2000; Acs et al., 2008). Institutions in shaping entrepreneurial choice and how institutional conditions can affect entrepreneurial entry and opportunity creation also were emphasized by Tolbert et al. (2011). These arguments are applicable to the agricultural entrepreneurship as the young entrepreneurs need to rely on government institutions, financial institutions, extension service and market related institutions.

Institutional support can be in the form of finance, training, technical guidance, information and market support. Kademani et al. (2020) emphasized Policy and institutional support for Agricultural entrepreneurship development in India. Recently, Kademani et al. (2025) recognized that technical, financial, legal and bureaucratic, and production and marketing support were the important dimensions of institutional support for agripreneurship. Agricultural entrepreneurship and support to rural youth through Government interventions like RKVY-RAFTAAR, ARYA are also targeted (Ministry of Agriculture & Farmers Welfare, 2020; Mohanty et al.,

2025). This can assist young entrepreneurs to address the financial, technical and market related challenges and motivate them to continue their business activities.

Youth engagement refers to the active participation, commitment and effort of young entrepreneurs in their business activities. It requires dedicating time and effort to the enterprise and striving for the continuous enhancement of the enterprise's activities (Schaufeli et al., 2002; Bakker & Demerouti, 2008). For young people in agricultural entrepreneurship, increased involvement can be beneficial for their skills development, income and livelihood. Mohanty et al. (2025) revealed that the agricultural entrepreneurship could be a means to uplift the livelihood and financial condition of the rural youth. Thus, youth engagement can bolster institutional support and institutional support can strengthen the engagement of youth, which can lead to improved youth welfare.

Additionally, the support provided by the institutions could directly influence the lives of the youths in terms of access to resources and opportunities. Capital can finance business investments; training can help to develop skills; and technical and market support can assist entrepreneurs to manage and develop their businesses (North, 1990; Scott, 2014). Institutional support has also been shown to be associated with agricultural enterprise and livelihood improvement in previous studies (Kademanı et al., 2020; Kademanı et al., 2025). Meanwhile, the advantages of institutional support can be contingent on the extent and level of the institutional structures' utilization. Therefore, there could be a linkage or connection between engagement of youth and youth welfare and institutional support. This study attempts to examine the role of Institutional Support, Youth Engagement in Agricultural Entrepreneurship and Youth Welfare based on the above literature. The mediation variable is Youth Engagement.

3. Research Methodology

3.1 Research Design

This research is quantitative research design which is used to explore the relationship between Institutional Support, Youth Engagement in Agricultural Entrepreneurship and Youth Welfare among the young agricultural entrepreneurs of South Bihar, India. In the case of the present study, a quantitative approach is suitable because it allows the researcher to obtain a statistical analysis of the relationships among the variables found and to test the hypotheses. The research framework is developed based on the existing researches carried out on institutional support, agricultural entrepreneurship, youth involvement and welfare. Because the research was aimed at the explanation and prediction of endogenous constructs, Partial Least Squares Structural Equation Modelling (PLS-SEM) was employed to estimate the hypothesised relationships, which is suitable for latent variable path models (Hair et al., 2019, Hair et al., 2022). SmartPLS 4 (Ringle et al. 2024) was used for analysis.

3.2 Theoretical Framework

The research is built on institutional theory and the previous studies on agricultural entrepreneurship, and a conceptual framework is advanced that explains the potential role of institutional support in youth engagement and youth welfare. Institutional theory regards institutions as the rules, constraints and incentives that influence the behavior of people and economic activity (North, 1990). Institutional conditions are also considered to be significant in the study of entrepreneurship: they influence entrepreneurial activity and opportunities for entrepreneurs (Busenitz et al., 2000; Bruton et al., 2010).

The conceptual framework proposed consists of the main explanatory construct Institutional Support and the outcome construct Youth Engagement in Agricultural Entrepreneurship as the conduit of how institutional support can explain Youth Welfare and Youth Welfare as the ultimate explanatory construct. Institutional Support refers to financial aid, training, technical and extension assistance, information about government schemes, market related assistance and other institutional support availed to the young agricultural entrepreneurs. This concept is in line with the latest studies that identified technical, financial, legal and bureaucratic, production and marketing support as important institutional support for agripreneurship (Kademanı et al., 2025).

Youth Engagement in Agricultural Entrepreneurship: Extent of engagement, commitment, time and energy invested in agricultural enterprises and continuous efforts of young entrepreneurs to improve them. Youth Welfare is the broader economic, social and personal advantages of agricultural entrepreneurship. The

literature on rural youth and agripreneurship has indicated that conditions of institutions and enterprises impact young people's participation and livelihoods outcomes (Haldhar et al., 2023; Mishra & Singh, 2024; Mohanty et al., 2025).

According to the conceptual framework, the more the youth feel supported in the institution, the higher its level of youth engagement in agricultural entrepreneurship. Furthermore, it implies that the more youth welfare, the more youth engagement. It is also expected that the direct positive relation between Youth Welfare and Institutional Support exists. Further, it is recommended that there is a mediating role between institutional support and youth welfare through youth engagement. The conceptual framework presented here can therefore be considered a mechanism that offers a systematic explanation on how the institutional conditions can influence the welfare outcomes when young agricultural entrepreneurs are actively involved.

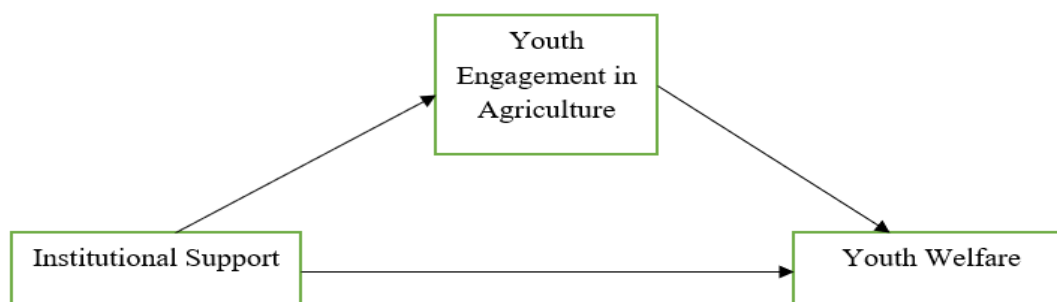


Figure 1: Framework Model

3.3 Hypotheses

Based on the institutional theory and the empirical literature on institutional support, agripreneurship, youth engagement, and livelihood outcomes, the following hypotheses were formulated.

H1: Institutional Support has a significant effect on Youth Engagement in Agricultural Entrepreneurship.

H2: Youth Engagement in Agricultural Entrepreneurship has a significant effect on Youth Welfare.

H3: Institutional Support has a significant effect on Youth Welfare.

H4: Youth Engagement in Agricultural Entrepreneurship significantly mediates the relationship between Institutional Support and Youth Welfare.

3.4 Population and Sampling

The study is focused on young entrepreneurs who were engaged in agricultural related activity, in South Bihar, India. The study area is comprised 17 districts which are Arwal, Aurangabad, Banka, Bhagalpur, Bhojpur, Gaya, Jamui, Kaimur, Lakhisarai, Munger, Nalanda, Nawada, Patna, Rohtas and Sheikhpura. The Districts of these were adopted in the South Bihar study area as in the present study. Study population is young people who involved in agricultural and allied entrepreneurial activities in these districts.

A non probability sampling design was used in the study. One difficulty in the study area was the creation of a comprehensive sampling frame of young agricultural entrepreneurs. The districts were treated differently and so were the activity of agricultural and allied enterprise in order to reach various respondents with their different perceptions on institutional support, entrepreneurial participations and welfare. Finally, a total of 397 valid and complete questionnaires were used for analysis. The sample size for the model proposed for PLS-SEM is sufficiently large. In addition, recent literature on PLS-SEM indicates that the sample size should not be evaluated solely based on a rule of thumb, but rather on the statistical power (including the model complexity) of the model (Hair et al., 2022; Sarstedt et al., 2022).

3.5 Data Collection Procedure

The data were gathered through the use of a structured questionnaire which was developed based on study objectives, as well as the measurement needs of the proposed conceptual framework. The questionnaire started with the demographic questions and included statements to assess Institutional Support, Youth Engagement in Agricultural Entrepreneurship and Youth Welfare. Substantive statements were rated using a 5-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree). The use of structured multi-item measures follows the trend of measurement in latent-variable PLS-SEM studies (Hair et al., 2022).

The questionnaire was given to the eligible youth farmers in the selected districts of South Bihar. The respondents were informed of the academic aspects of the research and it was voluntary in nature. The answers were anonymous and treated with confidentiality and were only for academic research. An analysis was conducted after screening responses for completeness and appropriateness to the questions on the survey, leaving 397 valid answers. Finally, the obtained data was analysed descriptively and using the PLS-SEM model in software SmartPLS 4. The use of SmartPLS and reporting of the PLS-SEM analysis is based on the recommendations from Hair et al. (2022) and Ringle et al. (2024).

4. Data Analysis and Results**4.1 Respondent Profile**

The study was conducted with 397 respondents from 17 districts of South Bihar. Most of the respondents were between 21 and 26 years of age (69.02%), and 64.48% were male. In terms of education, 60.46% of the respondents were graduates or postgraduates. More than half of the respondents (56.93%) were single.

Table 1: Respondents profile

Demographic Variable	Category	Frequency	Percentage (%)
Age	18–20	59	14.86
	21–23	133	33.5
	24–26	141	35.52
	27–29	64	16.12
Gender	Male	256	64.48
	Female	141	35.52
Education	Up to 10th	30	7.56
	12th	116	29.22
	Graduate	183	46.1
	Postgraduate	57	14.36
	Other	11	2.77
Marital Status	Single	226	56.93
	Married	171	43.07
Annual Income	< ₹2 lakh	109	27.46
	₹2–5 lakh	185	46.6
	₹5–10 lakh	76	19.14
	> ₹10 lakh	27	6.8

Landholding	Landless	35	8.82
	<1 acre	117	29.47
	1–5 acres	195	49.12
	>5 acres	50	12.59
Family Agricultural Background	Yes	299	75.31
	No	98	24.69
Government Support Received	Yes	221	55.67
	No	176	44.33
Years Involved	<1 year	40	10.08
	1–3 years	156	39.29
	4–6 years	140	35.26
	>6 years	61	15.37

About 46.60% of respondents had an annual income between ₹2 and ₹5 lakh, while 49.12% had landholding between 1 and 5 acres. A large number of respondents (75.31%) belonged to families with an agricultural background. Further, 55.67% had received government support. Most respondents (74.55%) had been involved in agricultural entrepreneurship for 1 to 6 years. Overall, the profile shows that the respondents were mainly young, educated and connected with agriculture through their family background and entrepreneurial activities.

4.2 Types of Enterprise Operated by Respondent

The results show that crop production was the most common type of agricultural enterprise (25.69%), followed by dairy (21.66%) and horticulture (18.14%). Fisheries and poultry accounted for 9.32% and 9.07%, respectively. The remaining respondents were involved in food processing/value addition, agricultural marketing/distribution, and agricultural input businesses.

Table 2: Enterprise Operated by the Respondent

Enterprise Type	Frequency	Percentage (%)
Crop Production	102	25.69
Dairy	86	21.66
Horticulture	72	18.14
Fisheries	37	9.32
Poultry	36	9.07
Food Processing/Value Addition	27	6.8
Agricultural Marketing/Distribution	19	4.79
Agricultural Input Business	18	4.53
Total	397	100

Overall, the results show that young entrepreneurs are involved in different types of agricultural and allied activities, with crop production, dairy, and horticulture being the main areas.

Table 3: Reliability Analysis

Construct	Cronbach's Alpha	Composite reliability (rho_A)	Composite reliability (rho_c)	Average variance extracted (AVE)
Institutional Support	0.910	0.914	0.930	0.689
Youth Engagement	0.861	0.862	0.896	0.590
Youth Welfare	0.866	0.867	0.900	0.599

The results indicate that all three constructs have reliability. Cronbach's Alpha values ranged from 0.861 to 0.910 and Composite Reliability values ranged from 0.896 to 0.930. All values were above the recommended level of 0.70, suggesting good internal consistency. The AVE values are between 0.590 and 0.689, which are higher than 0.50, showing a satisfactory convergent validity. Finally, the results provide support for reliability and validity of the measures in Institutional Support, Youth Engagement, and Youth Welfare for further analysis.

Table 4: Discriminant Validity

	Institutional Support	Youth Engagement	Youth Welfare
Institutional Support	0.830		
Youth Engagement	0.252	0.768	
Youth Welfare	0.314	0.638	0.774

Fornell and Larcker criterion was used to establish the discriminant validity. The square root of the mean variance extracted in each construct was higher than the correlation between the constructs. The square root of AVE values for Institutional Support, Youth Engagement and Youth Welfare was 0.830, 0.768 and 0.774 respectively which were found to be higher than the correlations with other constructs. This means that the concepts of Institutional Support, Youth Engagement and Youth Welfare are not interchangeable and depict various facets of youth agricultural entrepreneurship. Thus, the results confirm the presence of discriminant validity among the constructs.

4.3 Structural Model and Hypothesis Testing

Inner-model VIF values ranged from 1.000 to 1.068, indicating that multicollinearity is not a concern. Bootstrapping was then used to assess the significance of the structural paths.

Table 5: Path coefficients

Hypothesis	Relationship	β	STDEV	t-value	p-value	Decision
H1	Institutional Support → Youth Engagement	0.252	0.045	5.588	<0.001	Supported
H2	Youth Engagement → Youth Welfare	0.597	0.033	17.895	<0.001	Supported
H3	Institutional Support → Youth Welfare	0.164	0.040	4.105	<0.001	Supported

	Youth Welfare					
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Support from the institutional is positively and significantly associated with Youth Engagement ($\beta = 0.252$, $t = 5.588$, $p < 0.001$), thus this is supported. H2 is accepted as it shows a strong positive relationship with Youth Welfare ($\beta = 0.597$, $t = 17.895$, $p < 0.001$). The direct effect of Institutional Support on Youth Welfare is positive and significant ($\beta = 0.164$, $t = 4.105$, $p < 0.001$) hence Institutions are supported.

4.4 Mediation Analysis

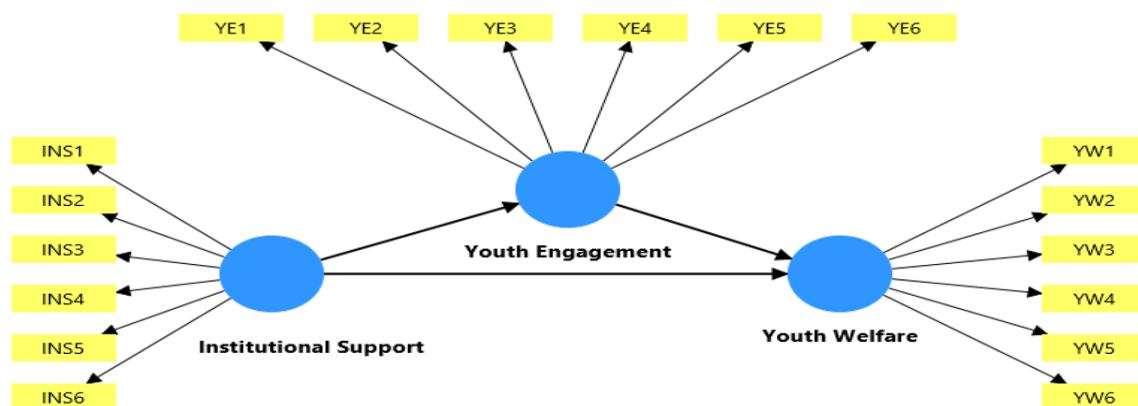


Figure 2: Mediating Analysis

The indirect effect of Institutional Support on Youth Welfare through Youth Engagement is positive and significant ($\beta = 0.150$, $t = 5.375$, $p < 0.001$). The 95% confidence interval does not include zero.

Table 6: Mediation Analysis

Relationship	β	STDEV	t-value	p-value	95% CI	Decision
Institutional Support → Youth Engagement → Youth Welfare	0.150	0.028	5.375	<0.001	0.098–0.208	Supported

The total effect is 0.314, the direct effect is 0.164 and the indirect effect is 0.150. VAF is approximately 47.8%. Because both direct and indirect effects are significant and have the same positive direction, the results indicate complementary partial mediation.

4.5 Coefficient of Determination

Table 7: R² and Adjusted R²

Endogenous Construct	R ²	Adjusted R ²
Youth Engagement	0.063	0.061
Youth Welfare	0.432	0.429

Institutional Support explains 6.3% of the variance in Youth Engagement, whereas Institutional Support and Youth Engagement together explain 43.2% of the variance in Youth Welfare. The relatively low R² for Youth Engagement indicates that other factors are also likely to influence engagement.

4.6 Effect Size**Table 8: Effect Size**

Relationship	f ²
Institutional Support → Youth Engagement	0.068
Institutional Support → Youth Welfare	0.044
Youth Engagement → Youth Welfare	0.587

Institutional Support has small effects on Youth Engagement and Youth Welfare, while Youth Engagement has a substantially larger effect on Youth Welfare.

4.7 Model Fit**Table 9: Model Fit**

Fit Index	Saturated Model	Estimated Model
SRMR	0.048	0.048
d_ ULS	0.397	0.397
d_ G	0.122	0.122
Chi-square	276.165	276.165
NFI	0.924	0.924

The SRMR value of 0.048 indicates satisfactory approximate fit, while the NFI of 0.924 indicates acceptable comparative fit.

4.8 Correlation Analysis**Table 10: Correlation Analysis**

Variables	Institutional Support	Youth Engagement	Youth Welfare
Institutional Support	1.000	0.252	0.314
Youth Engagement	0.252	1.000	0.638
Youth Welfare	0.314	0.638	1.000

All relationships are positive. The strongest association is between Youth Engagement and Youth Welfare ($r = 0.638$), consistent with the strongest structural path.

4.9 PLSpredict

PLSpredict was used to assess out-of-sample predictive performance. Positive Q^2_{predict} values indicate predictive relevance, while prediction-error comparisons provide additional evidence of predictive performance (Shmueli et al., 2019).

Table 11: PLSpredict

Endogenous Construct	Q ² _predict	RMSE	MAE
Youth Engagement	0.057	0.977	0.797
Youth Welfare	0.092	0.958	0.780

Both endogenous constructs have positive Q²_predict values. At the indicator level, the PLS-SEM RMSE was lower than the linear-model benchmark for 9 of 12 indicators, indicating useful predictive performance.

5. Discussion of Results

The first hypothesis finds partial support, as the institutional support is positively related to youth engagement. This finding corroborates institutional theory that suggests institutions create the opportunities and constraints for economic actions (North 1990; Scott 2014). Similarly, it is consistent with recent studies on agripreneurship, which found that technical, financial and production/marketing support are significant institutional mechanisms (Kademani et al., 2025).

The finding is especially relevant for young agriculture entrepreneurs as they might be less experienced in business and have a less established network of markets and less accumulated capital. So, institutional arrangements can help overcome some of the obstacles that farmers encounter when they set up and operate an agricultural business. Youth-oriented agripreneurship initiatives also show that institutional support can positively influence livelihoods and desire to engage in agripreneurship, as revealed by the evidence (Mohanty et al., 2025).

H2 yielded the most significant relationship in the model. Youth Engagement significantly affects Youth Welfare ($\beta = 0.597$, $p < 0.001$; $f^2 = 0.587$). The result indicates that people who are actively engaged in agricultural entrepreneurship have good welfare outcomes. This aligns with the findings that agricultural youth participation in agricultural activities has led to financial and livelihood benefits (Mohanty et al., 2025).

The third hypothesis is supported, indicating that Institutional Support can significantly affect the direct impact on Youth Welfare. This means that even before taking into account the engagement mechanism, the support mechanisms can contribute to welfare in terms of resources and opportunities. It is consistent with the broad institutional entrepreneurship literature that supports the hypothesis that institutions affect productive entrepreneurship and economic outcomes (Acs et al., 2008; Bosma et al., 2018).

The mediation result provides the main contribution of the study. The direct effect of Institutional Support on Youth Welfare, is significant, and Youth Engagement is significant in the mediation between Institutional Support and Youth Welfare ($\beta = 0.150$, $p < 0.001$). This means that institutional support goes directly to welfare and indirectly through greater youth participation.

The R² score for youth engagement is in the medium range. Institutional Support accounts for 6.3% of its variance. This reveals that institutional support plays an important role, but not enough to determine youth engagement. This result is in line with the contextual understanding of entrepreneurship which asserts that entrepreneurship is influenced by individual, social, institutional and market contexts (Welter, 2011). Entrepreneurial orientation, family support, social networks and technology access and market conditions can be integrated into future models.

The model explains 43.2% of the variance in Youth Welfare. This comparatively stronger explanatory power suggests that institutional support and youth engagement together provide a meaningful explanation of welfare outcomes in the present sample.

6. Policy Analysis and Practical Implications

The findings suggest that institutional support programmes should be designed as integrated support systems rather than isolated financial schemes. Recent research shows that technical, financial, legal/bureaucratic and production/marketing dimensions are interconnected in agripreneurship support (Kademani et al., 2025).

First, financial support should be combined with credit facilitation and financial literacy. Second, training and extension support should be continuous rather than limited to one-time programmes. Third, institutional agencies should strengthen market-linkage mechanisms connecting young entrepreneurs with processors, retailers, producer organizations and value-chain actors. Fourth, information about government schemes should be simplified and localized. Finally, programme evaluation should measure engagement and enterprise continuity rather than only counting beneficiaries, because the significant mediation effect indicates that welfare benefits are partly generated through active engagement.

7. Future Implications

Based on the present study, there are a number of suggestions for further research. First, given the low R^2 for Youth Engagement, there is a need to include other predictors like entrepreneurial orientation, risk-taking, innovativeness, opportunity recognition, family support, community support, social capital, digital capability, and the market orientation.

Secondly, the study does not cover the rest of Bihar. Comparative studies could be conducted on youth agricultural entrepreneurs in other states of India and in developing countries. Third, longitudinal studies could be conducted to see if there are long-term impacts when companies grow. Fourth, future research could examine the needs of institutional supports, in dairy, crop production, horticulture, fisheries, poultry processing and agricultural marketing. Finally, future studies could leverage Kademani et al.'s (2025) multidimensional framework of institutional support to determine which of the dimensions is most important for youth engagement.

8. Conclusion

In this study, the relationship between Institutional Support, Youth Engagement in Agricultural Entrepreneurship and Youth Welfare was explored among 397 youth entrepreneurs in agriculture of South Bihar, India. There is a significant direct effect of Institutional Support on Youth Engagement, Institutional Support significantly improves Youth Welfare, and Youth Engagement significantly improves Youth Welfare.

The main contribution of the study is the mediation analysis. The relationship between Institutional Support and Youth Welfare is mediated by Youth Engagement to a large extent. This underscores the role of institutional resources in affecting welfare, as a factor that stimulates young entrepreneurs to become more active in their agricultural activities. The findings are congruent with an institutional view that sees a supportive environment as opening up opportunities and constraining environments as limiting opportunities, as well as entrepreneurial action as turning opportunities into economic and social consequences.

The study also reveals that a small percentage of the variation in Youth Engagement is accounted for by Institutional Support only. So policies would need to be used together with entrepreneurial skills, market opportunities, social supports, technology and other enablers. Improving institutional support and making the young entrepreneurs more active in using it could help in sustainably developing agricultural entrepreneurship and enhancing the welfare of the youth in South Bihar.

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