



# Challenges of Foreign Investment on Shahid Rajaei Agroindustry Company

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## Abstract

Shahid Rajaei is a highly promising agro-industrial company for agricultural production in the Khuzestan, Iran. The goal of this study was to investigate the challenges and factors hindering foreign investment in Shahid Rajaei's agro-industry. To understand these challenges (including technical, economic, infrastructure, socio-cultural challenges, and policy-making as dependent variables), an Exploratory Factor Analysis was conducted. Additionally, their impacts on the level of foreign investment in Shahid Rajaei's agro-industry (as the dependent variable) were tested through regression analysis. Based on the results, three independent variables - policy factor, technical factor, and infrastructure factor - had the most significant impact on the level of foreign investment in Shahid Rajaei's agro-industry, explaining 53.5 percent of the variation in foreign investment level. These findings highlight the critical role of these factors in influencing the level of foreign investment in Shahid Rajaei's agro-industrial sector."

### Keywords:

*Agroindustry company; challenges; foreign investment; Shahid Rajaei*

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## INTRODUCTION

One of the necessities for the growth and development of each economic sector is investment. Given the broadness of agricultural activities and the need for capital to acquire new technologies, the issue of investing becomes even more critical. Increasing investment and promoting the production and income of farmers are crucial in improving the productivity of production factors. The main sources of investment are through the governmental and private sectors (Shahabadi & Sadeghi, 2013). However, Iran faces challenges in achieving its goals of economic development. The current approach of relying on bank loans for budgetary needs by private sector managers is not sufficient, while Iranian banks are also limited in their resources to supply the required budget for enterprises. Therefore, acquiring non-loan foreign funding is necessary, specifically through attracting direct foreign investment (Alishiri & Shams Araqi, 2013). Direct foreign investment gained significant momentum in the early 1980s within the global society, particularly among developing countries, and is considered one of the most important factors contributing to host countries' economic growth and development. Over the past few decades, this concept has been embraced by many countries, owing to its numerous advantages. Some of the benefits of direct foreign investment include absorbing capital, introducing modern technology and knowledge, enhancing management capabilities, increasing employment opportunities, improving the balance of payments, and fostering competitive abilities (Moshiri & Kian Poor, 2012). World Bank studies reveal that reducing rural poverty is closely linked to enhancing the productivity of agricultural workforces. However, this relationship can vary across different regions. The growth of domestic agricultural production results in income growth among 40 percent of impoverished farmers and ultimately contributes to a three-fold growth in other sectors of the economy. Strengthening the agricultural sector not only directly re-

duces poverty but also positively impacts other aspects of the economy, thereby driving the country towards development. According to the estimations of FAO, in order to meet the world's food requirements by the year 2050, any country aiming to improve its agricultural sector must make additional investments beyond the annual budget. However, the capacity of countries to bridge this gap is limited (Lin, 2011).

The following scientific conclusions and theories were drawn from the study of foreign investment in the context of the modernization of the economy, with a focus on regional aspects of attraction:

- J. Dunning's "Theory of Eclecticism" and R. Narulo's "Investment Theories of Development Path" are relatively broad and fully international, representing the economic relations involved in the movement of capital.

- TTXI (Technology Transfer and International Investment) aims to ensure economic growth while minimizing risk by concentrating on the national economy and creating additional opportunities for high-profit investments through the attraction of innovative resources. The goal is to influence the level of international capital and effectively use both short-term and long-term separation to represent future economic relations. In this regard, some important characteristics of TTXI, which represent a form of movement of international capital flows, include:

*Share:* TTXI involves a joint-stock company declaring not less than 10-20 percent of the total value of the capital. It also includes the acquisition of a shareholding by an outside investor in the share capital received from the activities of the enterprise. Additionally, "Mother" enterprises act as connectors between the company and its subsidiary, involving lending and equivalent transactions in the internal system, leading to debt settlement processes.

*Type of control:* TTXI has a broad impact, providing the investor with access and even control over the investment entity.

By level of gross elements: TTXI provides a comprehensive description of capital, including standard asset packages, technology, market access opportunities, and environmental assets.

*Placement:* TTXI is focused on a clearly defined market with a production description, emphasizing strategy and production technology for either new or operating productions (Khodzhaevich et al., 2019).

In this regard, some researchers have made remarkable findings in their studies. Anetor (2019), in his research, revealed that FDI (Foreign Direct Investment) inflows have a greater influence on the industrial sector output compared to the agricultural sector. Using VAR (Vector Autoregression) Granger causality, the study also found that while FDI inflows lead to growth in the industrial sector output, they do not cause growth in the agricultural sector output, even though the IRF (Impulse Response Function) revealed a positive relationship between foreign direct investment inflows and the industrial sector output.

The implication of the study is based on the fact that the level of FDI inflows into the agriculture sector is low and has not been driving the growth of the agricultural sector. This is attributed to several structural bottlenecks that hinder the growth and competitiveness of the sector, making it unattractive to foreign investors. Some of the challenges include poor agricultural technology, policy instability, and implementation inefficiency. Another crucial implication of the study is that FDI in the agricultural sector is influenced by incentives and policies promoting foreign investment. There is a need for the institutional setup of smallholder farmers, who can play a significant role in enhancing investment in the sector. As a result, the study makes the following recommendations:

- The government should intensify research and development institutions to seek new knowledge and enhance innovation in the sector. This can be achieved by increasing research grants and providing staff training and retraining to equip future and experienced

researchers in the sector effectively.

- The government should invest significantly in rural infrastructure development to encourage foreign investment and improve the linkage of agriculture to the industry.

According to Ghalambaz et al., (2018), the relationship between economic growth and direct foreign investment is a crucial topic discussed by many researchers, economists, and political analysts. The present study examines the influence of direct foreign investment on economic growth and observes the role of natural resources and the threshold regression model in panel data for 83 countries from 1996 until 2015. The research model is based on the methodology offered by Hansen (1999) for the threshold regression model in panel data, with estimation performed using the recommended method of Wang (2015) for fixed consequences. Jalaee et al. (2015) have examined the influence of technology spillovers on Iran's export of crops. The results of this study reveal a significant positive influence of technology spillovers on Iran's crop exports. In his article, Taslimi et al. (2013) examined the results of ranking member countries of the Islamic Conference Organization based on effective factors on direct foreign investment. The study revealed that Malaysia, due to its high economic growth and the implementation of plans for free trade zones in recent years, low tariffs, and a policy of freedom of capital movement, has created the best opportunities for attracting foreign investment. On the other hand, among the 43 countries studied by the Islamic Conference Organization, Iran ranked 35th in terms of attracting foreign investment. In his study, Kohansal (2014) analyzed technological changes and their impact on the main components of the economic analysis criterion for producing irrigated wheat. The results showed that technological changes generally reduce production costs, with changes in technology due to the development criterion being the main driver of technological changes. Additionally, the study revealed an increasing yield in irrigated

wheat production compared to the criterion, suggesting the importance of policy measures to enhance production criteria in farms of Khurasan Razavi province. [Morad Hasel et al. \(2008\)](#) conducted a study titled "Recognizing Effective Factors on Direct Foreign Investment from 1998 until 2004 using Generalized Least Square (GLS) within a mixed data pattern." The study concluded that economic freedom and the degree of economic openness significantly influence the flow of direct foreign investment in all sample countries, which might also hold true for Iran. [Torabi and Mohammadzadeh \(2008\)](#) examined the importance of foreign investment in developing countries and its effective factors from 1995 until 2006. Through the study of direct foreign investment processes in various countries, they employed a panel data model to determine the influential factors on foreign investment. The study's results indicate that variables such as productivity rate, domestic investment, government size, growth rate of foreign currency, and the socio-economic structure of countries are considered effective factors in attracting foreign capital to developing countries.

In their study, [Faustino et al. \(2012\)](#) analyzed the influence of productivity and innovation on the performance of 97 major exporters in Portugal from 2004 to 2008. The research included variables such as productivity, capital, workforce salary, research costs, and innovation. The results showed that productivity, capital, and innovation have a positive effect, while the salary of the workforce has a negative effect on exports. [Pla-Barber and Camps \(2012\)](#) examined the relationship between export, innovation, and enterprise size in the knowledge-based industry. The study involved 121 enterprises active in the biotechnology industry of France, and the results revealed a significant positive relationship between innovation and export. Moreover, the size of an enterprise does not significantly affect either innovation or export. The findings of [Hrytsaienko et al. \(2019\)](#) indicate that sustainable develop-

ment of domestic agricultural production requires an increase in investment in technical services, which play a leading role in providing technical support to agricultural producers. However, the current state of the industry's technical potential has been steadily deteriorating due to various reasons, including the lack of an effective mechanism for investing in the development of technical service subjects. Proposed sources of investment replenishment reveal conceptual solutions to existing problems, one of which is the lack of sufficient own funds for investing. [O.S. Olsen \(2009\)](#), in his analysis of the effect of direct foreign investment on India, stated that India's industrial policy began in the year 1991, and significant changes were implemented in the Indian economy due to its integration with the global economy. He believed that the process of changes in various sectors of India's economy was influenced by direct foreign investment, as it tested and changed policies that impacted the growth and development of India's economy. [Vahter and Masso \(2006\)](#) concluded in their studies that direct foreign investment mainly leads to the economic growth of the host country, but its impact depends on the environmental conditions of the host country. The results of their study showed that direct foreign investment and domestic financial markets are complementary to each other in terms of improving the rate of economic growth; however, direct foreign investment does not have a direct, positive, and significant influence on economic growth.

The general goal of the research is to study the challenges of foreign investment at Shahid Rajaee Agroindustry Company. The specific objectives include:

Recognizing the obligations and infrastructural challenges for attracting foreign investment to Shahid Rajaee Agroindustry Company.

Studying the influence of these challenges and obligations on the level of foreign investment absorption at Shahid Rajaee Agroindustry Company.

## METHODOLOGY

The present research performs theoretical and qualitative studies using the documentary method, while for the quantitative stage, it utilizes the field method and benefits from questionnaires. The statistical population of this study includes all managers and experts in the central organization of rural cooperatives in Iran, related managers and experts in the guild union of rural and agricultural cooperatives in Iran, and managers and experts of related departments in Shahid Rajaei Agroindustry Company related to the agricultural sector. The sample size for this research is comprised of 83 respondents, selected through a census method due to the small and limited statistical population, which made sampling impractical.

The primary data collection tool used in this study is a questionnaire with three parts. The first part gathers demographic characteristics of the experts. The second part measures the level of foreign investment in Shahid Rajaei Agroindustry from the respondents' perspective. The third part examines the challenges of foreign investment in Shahid Rajaei Agroindustry from the respondents' perspective using a five-level Likert scale (ranging from 1 - "Strongly disagree" to 5 - "Strongly agree"). The standard Alpha level for this research is 0.874, indicating an acceptable level of reliability and validity for the research items, ensuring acceptable internal consistency in assessing the research topic.

After data collection, the data were analyzed using SPSS software, involving both descriptive statistics and analytical (inferential statistics) methods. In the analytical section, exploratory factor analysis was utilized to categorize and identify challenges, focusing on data reduction and factor detection. Subsequently, regression analysis was employed to identify the impact of the identified challenges (as the independent variable) on foreign investment.

## RESULTS

### Descriptive findings

#### *Describing Individual Properties*

The research results show that the average age of respondents is 45.46 years old, and the maximum frequency is between 41 to 45 years with 30 respondents falling within this age range. The majority of participants (92.8%) were married, while 7.2 percent were single. In terms of educational qualifications, 2.4 percent of respondents had a High School Diploma, 44.6 percent had a Bachelor's Degree, 45.8 percent held a Master's degree, and 7.2 percent had a Ph.D. degree. The highest frequency was observed among 38 respondents who held a Master's degree. Regarding occupational roles, 9.65 percent of respondents were employees, 50.6 percent were experts, and 39.8 percent were managers. All respondents were researchers actively engaged in the agricultural and rural sector. Upon examining the employment status of respondents, it was determined that 67.5 percent of them worked at the central organization of rural cooperatives of Iran, 14.5 percent worked at the central guild union of rural and agricultural cooperatives of Iran, 2.4 percent worked at Shahid Rajaei Agroindustry Company, and 15.7 percent worked in other departments related to the agricultural sector, particularly experts from the headquarters of the Ministry of Agriculture. The majority of respondents (56 participants) worked at the central organization of rural cooperatives of Iran.

#### *Challenges of foreign investment at Shahid Rajaei Agroindustry Company*

To identify the challenges of foreign investment at Shahid Rajaei Agroindustry Company from the respondents' viewpoint, 40 indices were designed. The respondents were asked to provide their responses regarding the impact of each index on reducing foreign investment at Shahid Rajaei Agroindustry Company. The results of prioritizing challenges of foreign investment at Shahid Rajaei Agroindustry Company, from the

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viewpoint of respondents, indicated that the following items hold the maximum importance and are considered top priorities within the statistical population of this research: Lack of preparation of skilled and educated workforce. Absence of suitable insurance services for facilities. High rate of inflation. Low level of productivity in the host country's economy. Negligence of authorities and planners towards the role of industrial

Table 1

*Prioritizing Items of Challenges of Foreign Investment on Agroindustry*

Items	Mean	SD	Priority
Instability of economic conditions	4.55	0.72	1
Low rate of productivity in economy of host country	4.54	0.69	2
Lack of having required infrastructures for suitable insurance services for facilities	4.42	0.61	3
Limited consumption market of host country	4.42	0.72	4
Lack of supplying skilled and educated workforces	4.39	0.6	5
High inflation rate	4.38	0.66	6
Lack of familiarity of native authorities to English	4.37	0.88	7
Negligence of authorities and planners to the role of industrial agriculture and national economy	4.34	0.67	8
Lack of ability to long-term purchase or lease land	4.25	0.66	9
Lack of access to reasonable price workforces	4.25	0.84	10
Expensive cost of workforces	4.2	0.82	11
Having different economic sanctions against Iran	4.2	0.87	12
Lack of full executing Joint Comprehensive Plan of Action (JCPOA) and high risk of foreign investment	4.14	0.87	13
Reducing motivation for foreign investment	4.07	0.98	14
Lack of easy access to required energies (water, gas, and electricity)	4.06	1.03	15
Exclusiveness of economy of host country and lack of having a competitive atmosphere	4	0.8	16
Reducing the share of the private sector on economic activities of the host country	4	0.84	17
Lack of improving the level of agricultural mechanization of the host country	3.98	0.92	18
Lack of access to infrastructure facilities	3.97	1.05	19
Difficult business rules	3.95	0.92	20
Lack of improving industrial machineries	3.93	0.98	21
High level of foreign debits of host country	3.91	0.77	22
Lack of having suitable customs rules and lack of elimination of complicated laws	3.91	0.95	23
Having unsuitable geographical conditions in area of investment	3.91	1.05	24
Lack of support from intellectual ownership of investors	3.9	0.83	25
Lack of having political stability and prevention of chaos	3.84	0.85	26
Having instable foreign currency system	3.81	0.85	27
Having bureaucracy and administrative corruption	3.79	0.92	28
Lack of having a suitable and cheap price transportation system	3.68	1.01	29
Difficulty in travel of foreign nationals	3.67	0.91	30
Lack of physical and life security for investment	3.67	1.15	31
High level of tribal and religious tension and conflicts at country receiving capital	3.61	0.94	32
Low level of foreign commerce of host country	3.6	1.01	33
Lack of having prepared lands	3.59	1.22	34
Lack of tax exemptions	3.56	1.22	35
Lack of educating human workforces skills	3.45	1.05	36
Negligence of authorities to research and development	3.43	1	37
Lack of clarity of commercial and financial rules and uncertainty of returning capital	3.31	0.79	38
Lack of applying structural amendments in the way of reducing high governmental costs	3.28	0.82	39
Increasing level of economic corruption	3.25	1.21	40

agriculture and the national economy. Limited possibility of purchasing or leasing land for the long term due to having a low change coefficient.

### Inferential statistics

#### *Factor analysis of challenges of foreign investment on Shahid Rajaee Agroindustry Company*

First of all, we need to identify suitable variables for the factor analysis test. One of the best methods to achieve this goal is the KMO (Kaiser-Meyer-Olkin) test, and the KMO value for this research was 0.794, indicating an acceptable level of correlation among the data for factor analysis. According to the factor analysis results, five factors were extracted, which collectively describe 52.144 percent of the changes in the variable of foreign investment in Shahid Rajaee Agroindustry Company, based on the Re/Max method. To better understand the variables related to each factor and interpret the factors more effectively, a matrix related to the factor load of variables was utilized. In this matrix, any variable with a higher load for a specific factor is assigned to that factor, and variables with a loading of more than 0.5 are considered to have a very acceptable significance level with the related factor. Variables above this threshold may be combined into another factor. On the contrary, variables that belong to a specific factor were separated. The following procedure was performed to categorize the variables into different factors: The first factor was an economic factor. The second factor was a socio-cultural factor. The third factor was a political factor. The fourth factor was an infrastructural factor. The fifth factor was a technical factor. These factors are presented in [Table 2](#) for reference.

#### *Multi regression analysis*

To analyze the role of independent variables in the research with a significant relationship to the dependent variable of foreign investment at Shahid Rajaee Agroindustry Company, the study utilizes the multiple regression method in a step-by-step style. Ac-

ording to the results, among the independent variables significantly related to the level of foreign investment at Shahid Rajaee Agroindustry Company, the most important variables describing 53.5 percent of the changes in the dependent variable are policy-making, technical factors, and infrastructural factors. In the first step, the policy-making variable is introduced into the equation, and the results of the calculations are shown in [Table 2](#), revealing that this variable has the highest impact. As observed from the determination coefficient, the policy-making variable accounts for 30.3 percent of the changes in the dependent variable. In the second step, the technical factor is introduced into the equation, following the policy-making variable. The technical factor has the second highest influence on the dependent variable of foreign investment at Shahid Rajaee Agroindustry Company. The determination coefficient shows that the combination of policy-making and technical factor explains 41.8 percent of the changes in the dependent variable. Finally, the third variable, infrastructural factor, is introduced into the equation after the aforementioned two variables. It is observed that this variable has the highest influence on the dependent variable of foreign investment at Shahid Rajaee Agroindustry Company. By examining the determination coefficient, it is stated that the three variables, policy-making, technical factors, and infrastructural factors, collectively describe 41.8 percent of the changes in the dependent variable ([Table 3](#)).

According to regression coefficients and fixed amount obtained from multi-regression analysis by step by step method, the regression equation of research is as follows:

$$Y=1.197-0.334X_1-0.238X_2-0.211X_3$$

### DISCUSSION

According to the results, it is concluded that among the independent variables having a significant impact on the dependent variable of foreign investment at Shahid Rajaee Agroindustry Company, three factors, includ-

Table 2  
Introducing Extracted Factors and Variables of Each Factor

Name of factor	Related variables	Factor load
Economic factor	High level of foreign debit of host country	0.673
	Exclusiveness of economy of host country and lack of having competitive atmosphere	0.642
	Increasing level of economic corruption	0.613
	Instable foreign currency system	0.603
	Instability of economic conditions	0.569
	High cost of workforces	0.565
	Limited consumption market of host country	0.555
	Low level of foreign commerce of host country	0.548
	Low level of productivity of economy of host country	0.534
	High inflation rate	0.518
Socio-cultural factor	Reducing share of private sector at economic activities of host country	0.512
	Lack of educating skills to human workforces	0.668
	High level of tribal and religious conflict in country receiving capital	0.656
	Negligence of authorities to research and development	0.590
	Lack of having English language knowledge by native authorities	0.544
	Lack of supporting from intellectual ownership of investors	0.494
Political and policy making factor	Reducing motivation for foreign investors	0.482
	Lack of physical and life security for investor	0.734
	Lack of political stability and prevention of chaos in Iran	0.718
	Imposing economic sanctions against Iran	0.682
	Lack of clarity of commercial and financial rules and uncertainty of capital return	0.627
	Lack of having suitable customs rules and lack of elimination of complicated laws	0.586
	Lack of facility of business rules	0.552
	Lack of applying tax exemptions	0.511
	Lack of easy travel of foreign nationals	0.473
	Lack of structural amendments for reducing high costs of government	0.459
Infrastructural factor	Having bureaucracy and administrative corruption	0.430
	Lack of having suitable and reasonable price transportation network	0.727
	Lack of easy access to required energies (water, gas, electricity)	0.693
	Lack of access to infrastructural facilities	0.572
	Having unsuitable geographical conditions in area of investment	0.548
	Lack of improving level of mechanization of agriculture in host country	0.530
Technical factor	Lack of improving industrialization of agricultural machineries	0.508
	Lack of having prepared lands	0.814
	Lack of access to cheap price workforces	0.780
	Lack of having required infrastructures for suitable insurance service for facilities	0.739
	Lack of preparing skilled and educated workforces	0.641
	Lack of long-term purchase or leasing land	0.628
	Negligence of authorities and planners to role of industrial agriculture and national economy	0.594
	Lack of full executing Joint Comprehensive Plan of Action (JCPOA) and high risk of foreign investment	0.566

Factor load (up to 0.4)

ing policy-making, technical factors, and infrastructural factors, are the most important and effective factors on the dependent variable of the research, and they can explain

53.5 percent of the changes in the dependent variable. Studies by (Jalae et al., 2015; Ugri-mova et al., 2020) have shown that suitable conditions for investment, coupled with

Table 3

Summary of Different Stages of Entering Independent Variable on Level of Foreign Investment on Shahid Rajaei Agroindustry Company

Stage	Independent variable	R	R <sup>2</sup>	R <sup>2</sup> Adj	F	p-value	B	Std. Error	Beta	t	p-value
First step	Policy-making	0.366	0.303	0.296	90.454	0.00	1.197	0.210	-	8.71	0.00
Second step	Technical factor	0.486	0.418	0.409	71.948	0.00	-0.334	0.060	-0.406	5.86	0.00
Third step	Infrastructural factor	0.594	0.535	0.520	60.332	0.00	-0.238	0.070	-0.251	4.83	0.00

human capital, can create favorable conditions for attracting direct foreign investment, and the present research has confirmed this claim. Additionally, the opportunity to expand the prosperous functioning conditions of small and medium enterprises and increase direct investments, along with the development of educational operations, transportation, energy, infrastructure, and agricultural product exports, should be considered one of the growth poles and competitive advantages. However, (Muratbaevich, 2019; Yalunina & Pajusov, 2019) in their study propose an investment-oriented approach to the development of the agro-industrial complex, where the additional capital directed towards the efficient use of the cumulative capacity of food and processing industry enterprises can lead the national economy out of recession and become a pledge for its development. Supporting this idea, (J. V. Olsen & Lund, 2009) agree with the results and conclude that direct foreign investment, along with freedom and tested policy changes, can have a positive impact on the growth and development of India's economy. (Kohansal, 2014) demonstrates that focusing on legal infrastructures, efficiency, productivity, workforce skillfulness, and increasing political stability can lead to attracting more direct foreign investment in Iran. Based on the variables comprising the factors, the names of the factors are as follows: The first factor is an economic factor, the second factor

is socio-cultural, the third factor is political and policy-making, the fourth factor is infrastructural, and the fifth factor is technical. Studies conducted by (Vahter, 2009) reveal that the relationship between marketing unit abilities and the company's properties are correlated with the effect of marketing in the company of the study. Confirming the results of this research, (Ibrahim & Abdul Azeez, 2019; Platonova & Bondarenko, 2020) show that market size (measured by GDP) and labor cost have a significant impact on the inflows of foreign direct investment in the agriculture sector. The results also confirm that trade openness and exchange rate significantly influence foreign direct investment in the services sector. Furthermore, (Kuzin et al., 2018; Omri & Hadj, 2020; Shamin et al., 2019) clearly demonstrate that, currently, promoting foreign direct investment requires developing an effective mechanism to implement selected priorities within the framework of the national innovation system, which further supports these results.

#### Policy Implications

According to the research results and the observation of variables with the maximum effect on attracting foreign investment, the following recommendations are offered to increase the motivation for foreign investments at Shahid Rajaei Agroindustry Company:

*Economic Factors:* Address the absence of the following items, including excessive gov-

ernment intervention in the economy, increase the role of the private sector, and promote a competitive atmosphere in the market. Strengthening the foreign currency system to be powerful and stable can overcome challenges in foreign investment at Shahid Rajaee Agroindustry Company. By solving these issues, suitable opportunities for absorbing foreign investment in Iran and Shahid Rajaee Agroindustry Company can be created.

*Social-Cultural Factors:* In consideration of the abundance of tribes in Khuzestan, the government should apply suitable planning and manage social-cultural spaces. Ensuring the stability of social conditions and preventing rising violence are important to guarantee the absorption of foreign investment. Additionally, enacting rules for the official recognition of ideas by investors and benefiting from skilled human workforces can be helpful.

*Political Factors and Policy-Making:* The government, through eliminating complicated customs laws, applying for tax exemptions, and enacting suitable commercial laws, can establish suitable motivation for attracting direct foreign investment.

*Structural Factors:* Establishing a suitable and reasonable transportation network with easy access to transportation facilities has a positive impact on attracting foreign investment.

*Technical Factors:* The government should provide support and guarantee suitable land for beginning economic activities to prepare appropriate opportunities for attracting direct foreign investment. Furthermore, offering required infrastructures, such as suitable insurance services for facilities, a reasonable, skilled, and educated human workforce, and education on modern knowledge and information for the workforce, can effectively attract direct foreign investment.

By implementing these recommendations, Shahid Rajaee Agroindustry Company can enhance its attractiveness to foreign investors and promote foreign investment in

the agricultural sector.

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#### CONFLICT OF INTEREST

The authors declare that they have no conflict of interest.

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