

Private extension in developing countries

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Abstract: Agricultural extension increasingly has become defined as one or other of (apparently) differentiated activities of technology transfer or rural development. In many situations, the transfer of technology, heretofore considered the purview of public sector systems, has been reconceived. Such changes suggest a refocussing of paradigms for the delivery of public sector extension. In developed industrialized countries, which often provide models for extension service delivery elsewhere, the declining relative importance of agriculture for economic growth, the increasing education and affluence of smaller populations of rural producers, and the increasing use of externally purchased inputs have changed the nature of publicly funded extension services and led to a questioning of the means of delivery of extension services by governments. In developing countries, where publicly funded extension is often more important, there has been considerable questioning of the structure and forms of extension delivery.

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Introduction

Extension services may be loosely defined as including all activities involved in the exchange of information relevant to agricultural and livestock production, processing and marketing. The word "extension" has been criticized as inherently emphasizing the "top-down" dissemination of information while ignoring other types of information flow between farmers, extension and research – particularly activities that involve farmers as equal partners in the process. This paper uses the term "extension" while recognizing that extension functions are multi-faceted and go beyond "top-down" dissemination of new technologies. For example, the information flow through extension channels may include anything from advice from a consultant on refrigerated flower shipping to the feedback to researchers of results from farmer-managed varietal trials.

Private firms provide services in accordance with their specialized incentives and farmers respond in terms of what they see as most beneficial to them. As each type of extension (public and private) has limitations, the objective for farmers, and agricultural development organisations of all types (local and international) is to attain the best mixture of public, private and NGO services. As Roth (1987) asserts, the public sector in general is over-burdened by

numerous activities and moving some of them to the private sector might allow more effective implementation of essential services. While extension services cannot, and should not, be totally privatized, there is room for both some privatization of public extension activities and active promotion of private and NGO extension activities which complement rather than replace existing public extension services. The analysis in this paper draws on cases in which information exchange, feedback to research, and all other major extension functions form only one part of a larger agribusiness operation or agricultural project. This paper focuses on Implication of private extension in developing countries.

Throughout the world the powerful effect of agricultural development vivid on rural livelihood not only by increasing their incomes but also by releasing labor and capital that can be used in non-agricultural enterprises and goods (Johnson, 2000; Lanjouw & Lanjouw, 2001; Haq, 2003). This better utilization of skill and craft mainly dependent on the swift movement of market information, which is the main cause of agricultural extension, that serves as important tire of agriculture and rural development process. The whole process of agricultural development showed weak linkages between its different components (Sharma, 2003; Mubangizi et al., 2004) and it seems necessary to revive the shattered agricultural education, research and extension system (Khan, 2002). Agricultural extension is one of the main institutional components of agriculture as it promotes the transfer and exchange of information that can be converted into

functional knowledge. It is better to say that extension is the instrument, which is helpful in developing enterprises that promote productivity and generate income in the present climate of change, which ultimately reduce poverty in developing as well as developed countries (Kaimowitz, 1990; Alston & Pardey, 1996; Carney, 1998; Wanga, 1999; Anderson & Feder, 2003).

All over the world agricultural extension assists the rural population of remote areas to up-lift their living standard through increase in crop production. The Government of Pakistan is well aware of this fact therefore from the Day of Independence different extension and rural development programs at national level launch by her e.g. Village Agricultural and Industrial Development Programme (Village-AID), Basic Democracies System (BDS), Integrated Rural Development Programme (IRDP) and Training and Visit System (T & V). Un-fortunately all these programmes were abolished one after the other because of their conventional, top down nature and inherited less effective technology transfer model (Williamson, 2002; World Bank, 2003). The last efficient extension programme was (T & V) that become ineffective due to its rigidity, top down orientation, non-responsiveness to farmers' needs, much expensive, least effective in feed back communication with farmers and un-able to meet the challenges of changing circumstances. To overcome the weaknesses and shortcomings in (T & V) system Government introduced Decentralization of Agricultural Extension reforms with the name Devolution of Power Plan to up-lift the local people's economic status through pooling all the national sources and resources at grass root level. Devolution is the complete, permanent (SPDC, 2000) and advanced form of decentralization and also helps in strengthening the functions of and empowering with more authority to the elected representatives (FAO, 2001). With the promulgation of this new system, institutional reforms have been introduced almost in all the line departments including Agricultural Extension (Luqman et al., 2004). The new system of agricultural extension, works under the supervision of district Government in which each district is managing its agricultural extension activities, where the functions of all sister organizations such as Water Management, Fisheries, Livestock, Soil conservation, Forestry, etc; are put under single manager called as Executive District Officer of Agriculture (EDO) (World Bank, 2003). The administrative changes in the setup of agricultural extension department affect the working efficiency of Extension Field Staff (EFS) in their area of jurisdiction having both positive and negative impacts (Luqman et al., 2005), while on the other hand Farooq (2005) conducted a research study

in two districts of North West Frontier Province (NWFP) and observed the difficulties faced by the extension staff in post devolution framework. The major hurdles in creating difficulties for EFS in the research area were multifarious duties, double chain command and lack of administrative staff and burden of increased paper work.

Implications of extension "privatization"

In general, a more commercialized approach broadens the focus of extension personnel and makes an extension service more responsive to client needs and changing economic and social conditions. But other immediate implications of privatization appear to include

- (1) the tendency toward a reduction of linkages both among organizations and among farmers in the exchange of agricultural and other relevant information;
- (2) the tendency to enhance large-scale farm enterprise to the detriment of small-scale farming;
- (3) the diminishing emphasis on public-good information and the advancement of knowledge as a saleable commodity; and
- (4) the trend toward agricultural development services that cater primarily to large-scale farming.

The Netherlands' experience in moving to a partially privatized system highlights some of the implications for agricultural extension, particularly in developed countries. The Netherlands' approach reduced government outlays as well as the government agency role conflict between concern for farmers' interests and the implementation of increasingly stringent environmental policies. With farmers paying for an increasing share of the extension services, their representatives have more influence on the direction of the extension service. New organizational structures and linkages have had to be established to link the "privatized" and private extension services with the research institutes, experiment stations, and regional experiment farms. Consequent upon, or in parallel with, the changed Dutch arrangements, other changes have taken place in the Netherlands' extension system. There is some evidence, at least for the vegetable greenhouse sector, that the high level of cooperation among extension information organizations in both the public and private sectors no longer exists (Huang, 1992). The more commercial orientation of the system appears to be creating tensions between extension workers and their clients in a less "open" knowledge and information system, with farmers who used to share information during study-group meetings now being more reluctant to do so.

The New Zealand Ministry of Agriculture and Fisheries advisory service, now fully commercialized

and receiving no direct government funding, if sold will be the first extension service fully privatized from government ownership. In 1994 the number of consultants employed in this agency was about half of the peak number of advisers employed in 1987. Some of these advisers will have retired or departed voluntarily; others have established private consulting businesses. The consequence of the changes in New Zealand has been an increase in fee-for-service consulting (the number of farm and horticultural consultants has approximately doubled), with the traditional "advisory" extension no longer existing on a large scale. While, in most cases, the changes seem to have been readily accepted, there remains concern over the effective transfer of scientific findings to agriculture (Walker, 1993). Wider structural changes have sharpened the focus and efficiency of research agencies and advisory consulting work. Traditional technology transfer extension is now largely confined to agricultural commodity boards. Agriculture New Zealand engages in some specific "public good" technology transfer projects on a contract basis to commodity research agencies and the national Foundation for Research, Science and Technology.

There has been no formal assessment of the impact of the New Zealand changes. However, there does appear to be less interaction among organizations, reduced feedback from farmers to science providers, and more limited information distribution, particularly to less well-off and poorer performing farmers (Walker, 1993).

Those extension services that have adopted a commercialization or privatization strategy most vigorously have traditionally employed an advisory approach to extension delivery. The advice given is more likely to be a private good. As well, the extension advisers are more likely to be able to adapt to providing services commercially. However, some staff will not make such a transition easily, new commercial skills will be required by newly commercialized advisers, and the dynamics of any change will have to be planned carefully. Le Gouis (1991) has noted that government "commercial" fees should be set at the market rate so as not to compete unfairly with existing private consultants.

2- Strategies for change

Public sector extension, facing criticism for its cost and its lack of efficiency and for not pursuing programmes that foster equity, is confronted with a number of possibilities for change. There has been a trend, perceptible throughout various extension systems undergoing adjustment, of greater flexibility and multiple partners in funding agricultural advisory services (OECD, 1989). Le Gouis observed three

major policies adopted by government and farm organizations regarding privatization of extension:

1. Public financing by the taxpayer only for the kinds of services that are of direct concern to the general public
2. Direct charging for some individual services with direct return (in the form of improved income)
3. Mixed funding shared between public and private professional association contributions for some services where the benefits are shared. A pervading development in new forms of financial support for extension is the trend to mixed sources of funding, reflecting strategies to gain access to additional sources of funding. In several developing countries, public-private extension coordination is already established. Alternative patterns indicate a fostering of private corporate initiative, encouraging cooperative ventures by farmers, coordinating public-private extension services, and privatizing the public system (Wilson, 1991).

The need for improved and expanded extension activities, together with a strengthening philosophical view of less government involvement in national economies, has led to a number of strategies for changing the way extension services are delivered.

2-1- Revitalization

The United States Cooperative Extension Service, when criticized for lack of relevance and vision (Dillman, 1986), regrouped and reviewed the criticisms. Its Extension Committee on Organization and Policy (ECOP) organized a Futures Task Force to review issues and put forward recommendations with a view to revitalizing the system (ECOP, 1987), which has led to various alterations structurally and programmatically.¹ Meanwhile, the advancement of electronic information systems is resulting in increased privatization, with important implications for the future structure of U.S. agriculture (Goe & Kenney, 1988).

2-2- Commercialization

New Zealand's Ministry of Agriculture and Fisheries' (MAF) agricultural advisory service now operates under user-pay, commercial criteria (Hercus, 1991). The MAF advisory service, renamed MAF Consulting and, subsequently, Agriculture New Zealand, has remained (temporarily) a public agency, although its employees have given up a number of public employment benefits and now receive commissions for consulting work undertaken. The agency depends for its annual budget on consulting fees received from farmers and contractual arrangements with government for the supply of policy information and rural intelligence to government.

2-3- Cost Recovery

Other public extension systems have moved toward cost-recovery approaches. Mexico has developed a fee-based system among large-scale farmers in the northwest region and plans the development of a similar arrangement among small-scale farmers in the south central region (Wilson, 1991). The Agricultural Development and Advisory Service (ADAS) in England and Wales, notionally "commercialized," operates on a partial cost-recovery basis. Clients of ADAS pay a fee for advice which formerly was free of charge. This process of cost recovery, introduced in 1987, was directed towards the agency receiving 50 per cent of its income from commercial fees by 1993-94 (Bunney & Bawcutt, 1991; Harter, 1992).

2-4- Voucher Systems

Some countries have replaced public extension delivery systems with vouchers, distributed by government services, for farmers to use in hiring private extension consultants (as in Chile). Coupons attached to agricultural bank loans, committing a certain percentage of the loan for extension services, have been used in Colombia.

Gradual "Privatization"

In 1990 The Netherlands "privatized" approximately one-half of its public extension service by transferring field extension personnel, with initial government financial support, to the farmer associations. The elements of the extension service responsible for linking research and the privatized extension services, policy preparation, implementation, and promotion and regulatory tasks remained under the aegis of the Ministry of Agriculture (Le Gouis, 1991). The "privatized" extension service is governed by a board on which farmers' organizations and the government are equally represented (Proost & Röling, 1991). Dutch farmers make a partial contribution to the cost of the new organization through membership subscriptions to farmer associations, as well as through direct payment for individual analyses. Farmers will eventually contribute 50 per cent of the cost of the service: special services such as individual analyses will be fully paid for by the farmer clients. The Dutch government has established new government-funded structures for integrating subjectmatter specialists into extension teams to facilitate the transfer of information and knowledge and for the provision of information on government policy (Bos, Proost, & Kuiper, 1991; Proost & Röling, 1991).

A gentler form of "privatization" has been proposed for the delivery of government extension services in the Australian state of Victoria. A review of

extension services determined that, for government-provided services conferring essentially private benefits to individuals, rather than cost recovery by government fee charging, it is more desirable and more efficient that private advisers deliver such services. However, because of the complexities of extension service delivery and the varying nature and levels of development of different agricultural sectors, a number of constraints were identified which precluded universal application of such a principle (Cary, 1993).

In order for rural industry organizations to take a greater responsibility for technology transfer, the Victorian government has proposed "outsourcing" for delivery of future extension programs. Outsourcing means that the government extension agency will retain a core pool of extension project staff and "buy in" private sector professional services with skills that the agency considers unnecessary to maintain. Agricultural consultants and contract staff will be employed to help deliver services in specific projects funded by rural industry and the federal government. Such projects are likely to be broad and industry wide and not tailored to individual farm circumstances.

In most cases, governments have not actually "privatized" their agricultural extension services. In its pure sense, privatization implies a full transfer of ownership (usually by way of sale) from government to a private entity, with that entity meeting all costs and receiving any profits. In the case of extension, governments have followed a number of distinct pathways such as commercializing the service while retaining it as a public agency, shifting public sector delivery services to private sector delivery of the service while maintaining oversight and basic funding of delivery, or pursuing cost-recovery measures to pay for the service. Thus the phrase "privatization of agricultural extension" generally is misleading.

Conclusion:

Privatization may have some attendant disadvantages because of unequal access to resources and because of a diversity of "agencies" and the associated difficulty of coordinating external groups and other government departments. Private delivery agents will be less responsive to government policy direction, and there may be linkage problems with public applied research organizations. While the process of information transfer amongst farmers traditionally has been characterized by a cooperative, free exchange of information, industrial information traditionally has been a private good characterized by patent rights, process licensing, the use of paid consultants, and differentiated production and marketing processes. In developed economies with

commercialized agriculture sectors, many of these features of industrial information transfer are becoming more common in agriculture. The trend to privatization will be stronger the more such circumstances exist. The range of different circumstances prevailing in agricultural extension worldwide suggests that a wide variety of approaches should prevail.

The rationale for private sector provision of agricultural extension services is generally based on an expectation of increased efficiency with the operation of private markets and with the resulting efficiencies contributing to the growth of a country's GNP. In contrast, the rationale for public provision of agricultural extension services is based on the following points: (1) much agricultural information is a public good; (2) only government extension services are likely to promote concern for natural resources management; (3) public sector extension may enhance the education of farmers who often lack adequate access to educational institutions; (4) the public service often provides information that reduces risk to farmers; (5) the service may provide information that reduces transaction costs; and (6) an extension service may be concerned with community health issues related to possible human hazards such as accidents and poisonings linked to agricultural chemicals. The argument for privatization is based upon:

- More efficient delivery of services
- Lowered government expenditures
- Higher quality of services

The diverse financial arrangements adopted in the last two decades by governments worldwide to fund agricultural extension services provide a valuable menu of options for consideration by other countries confronting the "privatizing" of public sector services. Still, several countries have resisted the trend toward privatization of agricultural extension, concerned perhaps by the implications reviewed in this chapter. In both developed and developing countries, renewed debate and experimentation around extension is certainly needed, but not only around allocation decisions and how best to develop cooperative arrangements with the private sector.

In most countries, government-funded extension is likely to focus its activities more selectively on public-good activities which exist and on areas where the marketplace is unlikely to provide services at a socially optimal level. Such areas will include "broad" rather than "specific" technology transfer, dissemination of environmental and resource technology, and human resource development. The move in the public sector toward privatization and efforts to decentralize government functions can

serve to highlight the continuing and key role of the public sector and focus the operative question on its responsibility as a coordinating agent. Its roles of regulation and providing service for priority audiences unserved by the private sector will be undiminished. **Some suggestions are as follows:**

- Governments in developing countries should take a quick and serious step to take on maximum number of agricultural extension professional in the Agriculture Department (extension wing) and also designed a proper policy for it.
- Governments in developing countries should impart extensive in-service agricultural trainings to train the extension personnel to cope with the growing needs of rural people.
- Governments in developing countries should impart trainings and refresher courses to train the extension field staff (EFS) about the philosophy and methodology of Decentralization of agricultural extension reforms.
- Effective and efficient evaluation mechanism should be launched to monitor and evaluate the activities of EFS and also their performance.
- Service structure for agriculture extension department should be revised like other departments so that young, talented and energetic staff can join the department.

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