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PRIVATE SECTOR PARTICIPATION IN
AGRICULTURAL EXTENSION SERVICES IN
NIGERIA

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ABSTRACT

In Nigeria, agricultural extension services have been dominated by the Agricultural Development Programme (ADPs) since the mid-1970s. However, the experiences of farmers are changing. Traditional extension services linked with production objectives and blanket recommendations can no longer meet farmers' expectations. Therefore, extension practitioners need to meet this challenge by seeking private sector participation in the funding and delivery of extension services. This paper noted that extension services provided by the private sector, even when it is funded by government, is a positive feature and government can play a strategic role in identifying gaps in the provision of extension services that can be filled through a brokerage role or by contracting service providers. It then concluded that the sustainability of private sector participants in extension service delivery requires a new orientation among staff. This will require some investment in staff training and reorientation.

INTRODUCTION

Agricultural extension agencies provide advice; information and other support services to farmers to enable them improve their farm and non-farm incomes. In developing countries, they are key actors in rural development policy. Extension services are provided by a variety of agencies in the public, commercial and voluntary sectors. The objectives in the three sectors are not the same. Public sector organizations work towards national policy goals, commercial entities are guided by profit considerations and will seek to achieve high quality standards in the crops reaching their processing plants and a level of production to meet plant and market capacity. The voluntary sector, which consists mainly of the many non-government organizations (NGOs) and is usually, guided the welfare of the farm. Despite the differences, however, they all seek to achieve their objectives by influencing farming decisions and practices of large numbers of rural household (Garforth, 1994; Garforth and Lawrence, 1997). Most countries have a nationwide publicly-funded and delivered extension services. However, as farms and rural enterprises become more diverse, blanket recommendations approaches which characterizes these public institutions become less relevant. Anyway, the experiences of farmers are changing. They are confronting change that, in terms of their own experience and those shared with publicly funded extension services, are rapid, substantial and novel (Loevinsohn, et al, 2002). The sort of decision support extension service that is required under these dynamic conditions requires a rethinking of extension practice from a generalist and supply-driven approach to a more responsive and demand-driven one (Walker, 2002). Traditionally, extension has been linked with production objectives. More recently, food security, improved nutrition, equity and poverty alleviation have become part of the agenda of organizations providing extension services. Roling (1988) charted the move away from seeing extension as a persuasive device fro getting farmers to do what someone wants them to do, towards the management of knowledge and information systems.

Against this background, this paper reviewed the provision of agricultural extension services in Nigeria with the aim of exploring the range of options available for private sector participation in the sustainable management of agricultural extension services.

THE NEED FOR PRIVATE PARTICIPATION IN EXTENSION SERVICE

Agricultural extension performs an important function worldwide in enhancing agricultural productivity. However, during the 1990s, economic and structural adjustment policies triggered government cut-backs in many countries that have led to a general crisis in public agricultural extension (Bebbington et al, 1993). Many local NGOs have tried to fill the gap; scarce resources however challenge the effectiveness of their work. It is important therefore that extension practitioners meet this challenge by inviting and retaining private sector interest in the funding and delivery of extension services.

Information and advice are important inputs in the achievement of rural development policies. Information and advice can be distinguished by the degree to which the providers express a preference for a specific course of action to be taken by the client or recipient. At one extreme is disinterested reporting of facts or research results; further along the continuum is advice to all or a broad category of farmers. At the other extreme is advice tailored to the needs of an individual farmer. The practical implication of this distinction is that tailored advice is inherently more information intensive, requiring an input of information about the farm before advice can be formulated. The procedures, methods, staffing and professional expertise needed to provide farm specific advice are different from those needed for making useful information available to farmers. This is an area of distinction to which private sector entrants need to focus in the provision of extension service.

Garforth and Jones (1997) identified four main directions from whence the forces of change in the traditional extension service will manifest. These are: economic and policy climate, social context in rural areas, systems knowledge and information technology. They opine that the future of extension services will call for more able, more independent and more client-oriented extension workers. The emphasis will be on the quality of interaction between agent and client rather than on the movement of 'messages' through a hierarchical system. Flexibility and adaptability will be seen as virtues that aberrations. In Nigeria, agricultural extension services have been dominated the ADPs since the mid-1970s. the involvement of the World Bank in the tripartite funding arrangement of the ADPs has shown that a properly functioning service is the key to the use of extension as the central strategy fro associated with these agencies since the expiration of the World Bank now makes private sector participation essential fro improving the effectiveness and efficiency of extension message delivery.

FORMS OF PRIVATE SECTOR PARTICIPATION IN AGRICULTURAL EXTENSION

The main arguments that government should fund advice and information for farmers are based on the concept of market failures (Cook and Sachs, 1999). There are two elements to this:

- a. Information is often thought of as inherently a public good. It is both non-excludable (a person who acquires it cannot stop the people from using it) and non-subtractable (or non-rival – one person's use of it does not diminish the supply fro others to use). A user will not be prepared to pay the full cost of acquiring something that others can access without paying. It will therefore be under-supplied by the private sector in a free market. Information and advice

may also be ‘merit goods’, that is, their full value may not be recognized by farmers who will therefore purchase sub-optimal amounts.

- b. Providing information and advice is an essential part of any package of measures to correct other forms of market failure, such as externalities, high transaction cost, moral hazards and asymmetric information. Transaction costs include those involved in accessing and evaluating information and advice from different sources, which may also lead to sub-optimal use by farmers (Kydd et al., 2000).

With respect to (a), however, information and advice are not necessarily public goods: they can fall into different categories within the public-private good matrix (Figure 1). Advice tailored to the specific circumstances of an individual farmer which will in principle be prepared to pay for it, and it should therefore be supplied at an appropriate level by the private sector. Information and advice can also be turned from public goods into toll goods through various institutional arrangements, such as making information available only to those who pay a subscription.

| | | | | | | |
|---------------|------|-------------------------|--|-----|-----------------------|--------------|
| | High | Rivalry/Subtractability | | Low | | |
| High | | | | | | |
| Excludability | | | | | Private goods | Toll goods |
| | | | | | Common property goods | Public goods |
| Low | | | | | | |

Figure 1. Types of good and services
 Source: Graforth et al., (2003)

With (b), an appropriate mix is needed of advice and other measures, including regulation. Government can influence the supply and use of information and advice without directly funding it. Quality assurance of advisory services (where this is not provided by voluntary codes of practice and professional registration schemes) can be backed by legislation, regulation and inspection. It can be made a condition of receipt of public funds for research that researchers make findings freely and readily available. Services funded or part-funded by government can be delivered in various ways by the private sector. Figure 2 depicts a matrix of the main combinations of financing and delivery, and reflects the global trends in recent years from top left hand box to the top

right (commercialization, cost recovery) bottom left (contracting out delivery to the private sector) and bottom right (privatization) Marsh and Pannel (1988) note that policy changes towards out-sourcing, cost recovery, formation of industry partnerships, cost sharing, and greater participation of stakeholders in the development of initiatives that affect them in Australia. What is clear in all these is that the main advantages of private sector delivery of extension services from fund providers' and clients' perspectives are:

- a. Efficiency: competition and reduction in public funding, leading to significant reduction in costs
- b. Flexibility: government and clients have a choice of service providers
- c. Accountability: contractual relationships provide transparent criteria and levels of service

These advantages form the main basis for the call fro private sector participation in all public sector dominated economies.

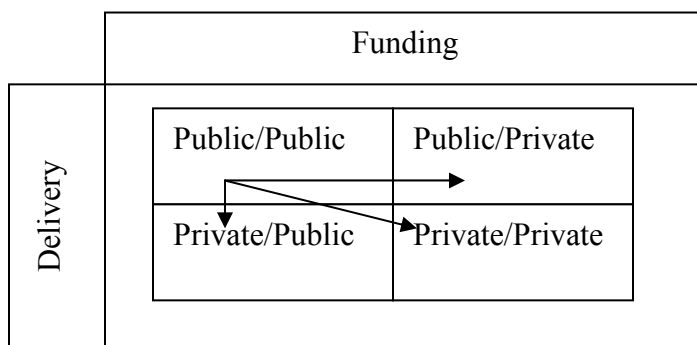


Figure 2. Options for provision extension services: trends in the funding-delivery matrix
Source: Garforth et al. (2003)

KEY ISSUES IN PRIVATE SECTOR PARTICIPATION IN AGRICULTURAL EXTENSION SERVICE

1. Confusion in multiplicity of service providers

It has been suggested that a pluralist array of private sector providers jeopardizes the synergy of a holistic, joined up knowledge and information system. Winter et al. (2000) suggests that fragmentation lead to confusion among farmers about where to go for information, duplication and wasteful competition among providers, and geographical imbalance in provision of services. Garforth et al. (2003) however found little evidence from cases from developed countries that this is specifically a problem of an extension system dominated by the private sector. Efforts by government and other actors to over-manage the system are in any case likely to be counter-productive. The challenge is to ensure that (potential) extension clients can find their way around the array. Government can play a strategic role in identifying gaps in the provision of extension services and then seek to fill them through a brokerage role or by contracting service providers.

2. Credibility of information sources

Credibility comes through as an important consideration from the point of view of clients. The fact that extension services are provided by the private sector, even when it is funded by government, is a positive feature. This may be more related to clients' everyday experience in other aspects of life. Credibility can also be compromised by commercial interests. But if farmers perceive a government policy which is against their interest, they are likely to be wary of government funded extension services and particularly those delivered by government agencies.

3. Conflict of interests

Where a service provider is delivering advice on a commercial or semi-commercial basis to client and at the same time fulfilling a public interest role, there is a potential conflict of interest. A decision that is in the best business interest of a farmer does not necessarily optimize social returns to the community as a whole. In the end, it is the farmer who trades one off against the other, in the decision he makes within the prevailing regulatory parameters. The intensity of potential conflict varies with the institution arrangements. Where the client is receiving commercial and public interest advice from two or more different providers, there is no conflict. Where different sections or staff members of the same organization are offering the two types of advice, the conflict is minimized to the extent that clients recognize their different remits. At an organizational level, potential conflicts are minimized by transparent recording of advisory inputs against specific contracts with individual clients and with government. What is clear however is that the credibility of advisers in the eyes of clients is based on perceived expertise, independence and knowledge of the local area and farming systems. This, in the end may determine whether the clients see conflict of interest as a real issue. It is likely that conflicts of interest are more significant consideration in the minds of competitors for government contracts rather than in the minds of clients. Careful drafting of contracts for delivery of publicly funded services can help to minimize the effect of conflicts of interest.

CONCLUSION

The sustainability of private sector participants in extension service delivery requires a new orientation among staff. Staffs who deliver a service need to have appropriate expertise, knowledge and skills if they are to be effective and remain credible in the eyes of clients. Trends towards commercialization of public services, demand-driven processes, and the search for locally adapted solutions and the need for negotiation within and between groups for collective decision-making require a considerable shift of mind-set and a much wider range of knowledge and skills than commanded by earlier generations of agricultural advisers. Private sector extension service providers may need to invest heavily in training and reorientation.

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