Prospects and challenges of privatization of agricultural extension service delivery in Nigeria

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Privatization of extension service delivery has been considered lately as the only option to remedy the decline in both the funding and overall organization and administration of extension due to so many challenges facing effectiveness of publicly funded extension delivery, particularly since the withdrawal of the World Bank sponsorship of agricultural programmes in Nigeria. The adoption of privatization of extension in Nigeria is not expected to be a “go-smooth” programme since it has been publicly funded. This is why the study analyzed the challenges and prospects of alternative funding to agricultural extension service delivery in Nigeria. The rationale for privatization was analyzed and lessons on extension funding from other countries indicated that even though these countries all adopted one form of alternative funding or the other, most of them have not completely privatized the extension system. The alternative funding arrangements were not done in isolation of public sector which is mainly responsible for agricultural extension policy formulation and implementation in these countries. However, in Nigeria the challenges include: farmers willingness to pay for the services, institutional framework, professionalism and competence of the extension system, corruption, availability of infrastructures and environmental imperatives. Despite these challenges, Nigeria still stands a chance of undertaking a gradual or partial privatization of extension. It is recommended that a critical study of the privatization strategies adopted by some other countries as mentioned in this paper should be looked into, with the view to consolidating private and public collaborative efforts in making extension policies function effectively in Nigeria.

Key words: Privatization, agricultural extension, changes, challenges, prospects.

INTRODUCTION

Agricultural extension still remain the most crucial and critical means to reach farming households in the rural areas and globally. There are changing trends and challenges facing agricultural extension delivery in Nigeria which has necessitated the growing campaign for increase in private participation and funding (Oladoja, 2004). Since the pre-independence era, the extension service has been publicly funded and implemented in Nigeria. In reaction to the worrisome performance of the agricultural sector, the Federal Government has embarked on various programmes and schemes aimed at returning the sector to its enviable position in the Nigerian economy (Alabi and Mafimisebi, 2004). The late 1970s witnessed maximum intervention exemplified in unprecedented deluge of Agricultural policies, programmes, projects and institutions (Olayemi, 1994). Some of these include; National Accelerate Food Production (NAFP), River Basin Development Authority (RBDA), Green Revolution (GR). The 1980s and 1990s saw the establishment of such institutions as the Directorate for Food, Road and Rural Infrastructure (DIFRR), National Directorate for Employment (NDE) and National Land Development Authority (NALDA). All these are projects/agencies established by the Nigerian government (Omotayo, 2005) These Governments’ efforts have not yielded sufficient desired results, as the country still witnessed increasing high cost of food, general cost of living and perpetual poverty. This calls for redirection of government to focus on better performance of agriculture in Nigeria. There has been a nationwide adop-
tion of the World Bank support Training and Visit (T and V) as the main approach for extension delivery. Although the system was adopted with distinct home grown modifications, the withdrawal of World Bank funds in the last two decades has proved that the system is not sustainable. While the system is supposed to incorporate feedback from farmers, they are often passive receivers of agricultural information. Like in many other countries where the T and V is being implemented, messages are typically based on perceptions of farmers’ needs or on the requirements or desires of public sector agencies like the Agricultural Development Programme (ADP) in the case of Nigeria. Studies and critiques have shown that the T and V have not met user demand for appropriate content and appropriate learning methods (Omotayo, 2005). Anderson and Feder (2003) observed that “despite the fact that public financing for extension is often justifiable, the general trend towards fiscal restraint and a reduced role for the public sector has led to financial crisis in many extension services”. Since the 1990s, inadequate funding has led to the virtually collapse of research and extension institutions that provided services small farmers and rural communities in Nigeria (Omotayo, 2004).

In Nigeria, like most developing countries where institutions (Economic, Political and legal) are weak and opportunistic, counterproductive behaviours (Corruption, Cheating and rent seeking) have led to marked increases in transaction costs thus, weakening service delivery (Nnaemeka, 2006). For example, due to poor funding, funding instability and the activities of corrupt officials, extension agents, are not paid their salaries for months; materials for field work and transportation facilities, which were formerly provided, are no longer available. Even where they are provided, the materials do not get to the officials. All these have increased the cost of monitoring and dissemination of technology to farmers as government insures additional expenses in order to reach farmers. In view of this litany of constraints militating against the efficient and effective public funded extension, those advocacies from several studies to actualize the privatization of extension abound. Hence, the following pertinent questions arise: What institutional framework should be adopted to support privatization? What will be the most appropriate alternative funding arrangement to take? Are farmers willing to pay for extension services? Who is responsible for the policy formulation and implementation with regard to privatization? What are the Challenges to overcome and the prospects in privatizing the extension service delivery in Nigeria? Private extension services appear to provide timely and appropriate services in terms of the farmers' need. This is in tandem with the reasons advanced for agricultural extension privatization (Salui and Agi, 2009).

Advocates of private extension services believe that it improves efficiency, improves public finance and encourages competition and private sector participation.

Objectives of the study

This paper examined the challenges and prospects of adopting privatization of extension service delivery in Nigeria. However, the specific objectives are to:

I. Determine the driving forces for the paradigm change from public extension to more of private participation.
II. Examine the lessons from other countries that have since adopted privatization of extension services delivery.
III. Make policy recommendations that will serve as road map to privatization of extension service delivery in Nigeria.

METHODOLOGY OF THE STUDY

Data used in this study were mainly from secondary sources and data were analyzed using content analysis.

Forces of change that necessitate the privatization of extension services

According to Omotayo (2005), there are wide variety of changes and challenges affecting the agricultural extension service delivery that relate directly to emergence of calls for demand-driven extension and decentralization. These changes in agriculture and community structures offer new programme opportunities for extension system to improve economic, environmental and social conditions of farmers. These forces of change include:

i. Globalization and liberalization of agricultural markets.
ii. Increased presence of agri-business and commercialized farming.
iii. Environmental imperatives.
iv. Climate change.
v. Food insecurity.
vi. Increased use of biotechnologies.
vii. Human immunodeficiency virus/ Acquired immune deficiency syndrome (HIV/Aids).
viii. Calls for “good governance” and stakeholders’ participation.
ix. Access to information and communication technologies.

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 Gross National Product (GNP) (Rivera and Cary, 1997). 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 (Cary, 1993). In developing countries, where publicly funded extension is often more important, there has been considerable questioning of the structure and forms of extension delivery. These have necessitated changes in extension methods and approaches especially in the area of funding. To this effect, various alternatives funding have been developed with different acronyms for privatization such as Outsourcing, Cost-sharing, Private-public Funding, Demand-driven Extension and Users’pay Extension, etc.
In Nigeria, the public extension has been criticized for its lack of purpose and effectiveness in delivering extension services to the farmers. To buttress this, Alfred and Adepoju (2006), has observed that, government's dwindling development budget and extremely poor progress in raising economic and social well-being of the populace through public extension, have led to the call for private sector involvement in the provision of extension service. In essence, project experience over the past twenty years has fueled debate concerning the role of the public sector in agricultural extension strategies to increase agricultural productivity and alleviate rural poverty. The most significant shortcomings of public agricultural extension in general have been unresponsiveness to the variation in farmer's needs, lack of ownership by intended beneficiaries, limitation in the quality of field, and technical staff's unstable policy and political support (Idachaba, 2005). The most prominent argument against public Agricultural Extension Services is high and unsustainable public costs (Salu and Age, 2009).

CURRENT STATUS OF PRIVATIZATION OF EXTENSION SERVICES IN NIGERIA

It is generally acknowledged in Nigeria that extension service delivery is public good that should be rendered without payment and has been publicly funded since the Nigerian independence in 1960. Apart from the publicly funded extension in Nigeria, there are several forms of private extension practices that now abound. Currently there is no formal arrangement for privatized extension delivery in Nigeria. A major feature of the Nigerian agricultural extension service in recent past is the entrance of Non-governmental Organizations (NGOs) in extension delivery in Nigeria. These NGOs fall into two major groups, viz: The non-profit, charity or faith-based NGOs or community/commodity - based NGOs and the private commercial organizations, which have, profit motive associated with their activities. These NGOs in the agricultural and rural development sector provide a wide range of extension education and technical support services including micro-credit financing and supply of essential inputs in several communities in the country. It is interesting to note that the sectoral disparity in terms of focus and emphasis in the public extension service (crops Vs the others) is also reflected in the private NGO extension service (56% NGOs in crops, 14% in livestock and 10% in fisheries). However, studies have shown that farmers are willing to pay for extension services.

There is informal commercialization in Delta State of Nigeria where farmers pay indirectly for extension services. These they do by paying for transportation, feeding and other expenses as pronounced by extension agents (Uzokwe and Ofuoku, 2006). According to Farinde and Atteh (2009) in their study of arable crop farmers of Niger State, indicated that farmers are willing to pay for extension services with the sum of N115, 133.84 (Nigerian Naira) per farmer per year through the yam grower association, cooperative societies and the service providers themselves. Bawa et al. (2009) found that most farmers studied in Adamawa State strongly agreed that privatization and commercialization will help improve extension services. Examples of the private commercial organizations providing extension services include: the Shell Petroleum Company (Shell Petroleum Extension Project), the British American Tobacco (BAT), and AFCOT Nigeria Plc. While Shell and other Petroleum Companies, particularly in the Niger Delta Oil exploratory areas are community–development oriented, public relations outfits, those of BAT and AFCOT are principally, commodity-targeted out growers’ schemes to ensure adequate raw materials for their companies.

The importance of credit either in kind or cash or both and the timely provision of essential production enhancing inputs have been amply demonstrated as part of an effective and efficient extension service by these commercial organizations. Examples of the non-profit NGOs include: the Development Education Centre (DEC) which provides extension support to women to organize themselves into grassroots level self-help associations in South-Eastern Nigeria; the Women's Advancement Network (WOFAN) in the North-West, promoting income generation activities among rural women; the Farmers Development Union (FADU) and the faith-based Diocesan Agricultural Development Project (DADP) in South-Western, Nigeria which aims at poverty alleviation among small-scale farmers (Arakoyo et al., 2002). Unique in this group is the international NGO, Sasakawa-Global 2000 which not only works in very close collaboration with the ADPs, but actually uses the already established structures of the ADPs including selected staffs that are seconded to the organization.

PRIVATEIZATION STRATEGIES: LESSONS FROM OTHER COUNTRIES

Due to the emerging global dynamics in environmental, social and economic conditions, many countries seem to have adopted changes in both philosophies and methodologies of extension delivery in terms of the organization and administration and in particular the funding of extension services. In France, nearly three-quarters of the total resources for the operation of extension system are collected at the farm level through direct payment. Voluntary fees from farmers’ organization such as cooperatives, compulsory fees levied in the form of taxes collected by chambers of agriculture. The British system promotes direct payment by users without privatization of extension services. The public agency responsible for research and extension, the Agricultural Development and Advisory Services, is responsible for such task and relies on government employees to carry out the work. The Agricultural Development and Advisory Service (ADAS) in England and Wales, nationally commercialized, operate on a partial cost-recovery basis. Client of ADAS pay a fee for advice which was free of charge. This process of cost recovery in 1987 was directed towards the agent receiving 50% of its income from commercial farms by 1993 to 1994 (Harter, 1992). Since the nineties, New Zealand’s Ministry of Agriculture and Fisheries (MAF), the agricultural advisory service has been operating under user-pay commercial arrangement (Hercus, 1991).

The MAF advisory service is still MAF (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. In the late 80s, Mexico 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. This arrangement was expected to lead to gradual privatization of the extension service. In 1990 the Netherlands privatized approximately one-half of its public 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 formulation, implementation and promotion and regulatory task 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 and Roling, 1991). Dutch farmers make a partial contribution to the cost of the new organization through membership subscriptions to farmers associations, as well as through direct payment for individual analysis. Farmers are expected to eventually contribute 50% of the cost of the service; special services such as individual analysis will be fully paid for by the farmer clients.

The United States has the largest publicly funded extension
service worldwide. The United States Cooperative Extension Service, when criticized for lack of relevance and vision, regrouped and reviewed the criticisms and this led to the creation of extension committee. Its Extension Committee on Organization and Policy (ECOP) organized a Future Task Force to review issues and put forward recommendations with a view to revitalizing the system (ECOP, 1987), which led to various structural and programme alterations which accommodates increased private sector participation. The advancement of electronic information systems is resulting in increased privatizations, with important implications for the future structure of United State agriculture. Extension systems that have the semblance of privatization in developing countries can be found mainly in Latin, America and few Asian countries.

The Chile model that is often referred to in the literature is more of a sub-contracted model than privatized one. In Chile, public extension delivery system is being replaced with vouchers, distributed by government services, for farmers to use in hiring private extension consultants. Indeed the evidence to date in Chile is that this model of privatization would not be possible as farmers appear unwilling to assume anything close to the full cost of extension services. Coupons attached to agricultural bank loans, committing a certain percentage of the loan for extension services have also been used in Colombia. In Israel, financing of Israeli Extension Service (IES) in the past had evolved and adapted over time from a straightforward government funding model based on the recognition that extension is a "public good". However, the following lists some alternative or supplementary sources of funds for extension in general and specifically for Information and communication technology (ICT) according to Gelb et al. (2008) are:

i. Farmer "taxation": All agricultural production is regulated via agricultural production boards that levy annually 0.625% of the value added of their produce. Of this sum 90% goes to Agricultural R and D (via joint farmer and research committees) and 10% to extension activities. This participation is a long standing agreement.

ii. Funding by national and regional growers' associations for standard extension services and or specific equipment for example, laptops and/or mobile phones for extension field staff.

iii. Funding by national and regional growers' associations for enhanced extension services in a "contractual 24/7 extension commitment".

iv. Funding by farmer "commodity services" for example, packing houses, feed mills, etc.

v. Partnerships with farmers such as the irrigation and soils field service which is funded by users through municipal taxes paid to regional councils and by direct payment for laboratory tests.

vi. Direct farmer payment per extension visit over and above "standard services".

vii. Direct farmer payment to extension personnel on a private basis after their official working schedules.

viii. Direct payment to IES and/or individuals for participation in related activities by rural revitalization and/or agricultural system participation in various campaigns for example, environmental conservation activities, programs by other ministries, entities, etc.

ix. Funds generated by collaboration with and participation in international ICT adoption programs – for example, via EFITA/AFITA (European/Asian Federation for Information Technology in Agriculture).

In Africa Mozambique has experimented with outsourcing as an agricultural extension strategy in certain part of the country in the last few years. This approach is still being evaluated and the difference in the performance of outsourced extension providers are being compared with that of public sector extension efforts. According to Rivera and Cary (1997), diverse directions have been taken and multiple means of payment (public and private) have emerged as governments have opted for alternative financial and delivery arrangements to pay for and deliver public sector agricultural extension services. Extension provision is often multi-institutional and organized in ways that are not necessarily independent.

CHALLENGES OF ADOPTING PRIVATIZATION OF AGRICULTURAL EXTENSION IN NIGERIA

The following are the challenges of privatizing agricultural extension service delivery in Nigeria:

Institutional framework

Making the private participation effective and sustainable requires a major change in organizational structure and professional attitudes. The current arrangement for public extension cannot fully support or integrate private participation unless there are some forms of policies to support institutional framework that will support the smooth operations of the private sector intervention in extension service delivery. Private involvement are not encouraged with institutional arrangements that foster less competition, for example, institutions that are completely controlled by government bureaucracy. Under such conditions, especially when the institutions are weak, opportunistic and counterproductive behaviours abound thus increasing transaction costs (Nnaemeka et al., 2006). The arrangement for both public and private collaboration posed some fundamental questions, for example, how is the partnership going to be done? What is the ratio of their participation in terms of the magnitude of fund expected of the two sectors to contribute? What will be the measure of commitment of the duo? Unless these questions are addressed, no meaningful collaboration between the public and private in delivering extension services can successfully take place.

Agricultural extension policies

The challenge is that Nigeria is well reputed for putting in place policies without political will to sustainably implement them. There are sometimes contradictions between national development policy and the interests of the vast majority of the rural poor who are engaged in agricultural production. The formulation of extension policy should be a collaborative effort, involving all stakeholders (public and private) with farmers and should take into consideration not only technical issues but also professional development concerns with an aim to provide motivation and morale to extension workers. Policy instabilities occurred such that extension personnel had to adjust the various modifications and reversals in extension policy thrust. However, the public extension has been criticized for not providing the adequate motivational support to the extension workers.

Farmers' socio-economic factor

Farmers in Nigeria are mostly small scale producers whose socio-economic status might not sustain the privatization of extension. This is not connected with the reason why several studies have advocated for extension to still remain a publicly funded service as it is considered public goods (Oladajo, 2004; Omotoya, 2004). However, few commercial farms across the country might be willing to pay but their contribution to the overall agricultural production is minimal compared to rural farmers who are also resource-poor with little income for himself and his family. Farmers’ inability to buy inputs and poor educational status of farmers has resulted in low adoption of technologies. This problem is further worsened by their
lack of access to factors of production which include land, labour and credits.

**Corruption**

The current self-centered, nepotic and fraudulent manner of managing public resources in Nigeria has to be tackled with formidable reform policies. Though, several policies and anti-corruption measures to curb corruption in the country were put in place yet, a lot need to be done to create an enabling environment for private participation in extension delivery.

**Professional competence**

On the side of the extension workers, there has to be exhibition of professional capability and credibility. Farmers in the past have often complained of the relevance of the extension messages the extension agents disseminate and incompetence on the part of the extension agent for they lack adequate knowledge. It takes a high display of professional competence to restore the farmers' confidence. Farmers are only ready to pay for what they can benefit from.

**Infrastructure availability**

Poor road network, inadequate finance and motivational facilities for transportation and communication that have always bewildered the public extension delivery, may also hinder the private agricultural extension practitioners from carrying out their work effectively if the essential facilities are not adequately provided.

**Environmental imperatives**

The issues of climate change, environmental degradation, ecological changes, food security and sustainable agriculture have posed a challenge in both institutional framework for agricultural extension and farmers' production prospects. This issues call for policy reforms and stakeholders' negotiations before privatization of agricultural extension can effectively take shape.

**PROSPECTS FOR PRIVATIZATION OF EXTENSION IN NIGERIA**

Several researchers (Adebayo et al., 1999; Agwu and Chukwuone, 2005; Ikpi, 2001; Ogunbamere, 2005; Omotayo, 2004) have shown that one of the major lessons learned from the past extension programmes in Nigeria is that it is not possible for government alone to support extension programme in all its ramifications. The private sector needs to play a more active role in both funding and physical transfer of the available improved technologies. Considering the above challenges in privatizing agricultural extension in Nigeria, the following opportunities need to be considered:

**Strengthening farmer’s organizations**

Strong and vibrant farmers’ organizations can provide opportunities to farmers to effectively play a role in the market economy and benefit from it (Akinnagbe and Ajayi, 2010). Formation of cooperatives and other rural farmers’ organizations can give them a collective voice and help them to harness their resources together in order to raise their economic statuses. These cooperative societies or farmers’ organizations locally indulge in financial contributions to help members in need with loans which are repayable at the stipulated time according to the rules and regulations guiding credit system of the organizations. This will enable them pay for extension services sustainably.

**Collaboration between public and private sectors**

A clearer and effective privatization of agricultural extension lies in the close collaboration of the private and public sectors. Many have considered extension services to be public goods hence; absolute withdrawal of the public sector funding might not work with the current political, social, environmental and economic situation of the country.

**Gradual privatization**

Pure agro-information, which is not embodied in a physical product such as production techniques/cultural practices, farm management procedures and market information, is generally regarded as public goods. In the short term, however, it may be possible to exclude non-payers (free-riders), particularly where the extension service covers techniques which cannot be directly copied by neighboring farmers, or market information which can be concealed or quickly outdated/time-sensitive. In such cases, extension of information may be considered a toll good and potentially attracted to private suppliers. On the other hand, government can gradually withdraw from public financing of agricultural extension services in some areas that would be that would be adequately serviced by commercial bodies.

**Emergence of NGOs**

Another aspect of the prospect of agricultural extension privatization is the likely emergence of more NGOs that will be willing to provide extension service in poor communities as an agricultural development aid. This development is likely that information delivery could become a tool for market competition that will be used by private extension providers.

**Demand-driven extension**

If the farmers who constitute the extension clients should be involved in both extension programme planning and implementations, the farmers will see the programme as theirs and suitable to their felt needs and will be willing to pay for the service of the extension agents.

**CONCLUSION AND RECOMMENDATIONS**

It is obvious that extension service delivery can no longer be publicly funded if it must be effective and relevant to needs of the end users. Many countries have changed their extension philosophies and methodologies including funding due to several constraints that are facing the publicly funded extension. However, there are several challenges in adopting privatization in agricultural extension delivery in Nigeria as an alternative funding option. Despite these limiting factors, Nigeria still stand a chance of privatizing extension service partly at least. This can be made possible by considering the prospects of privatization of extension outlined in this study and the following recommendations:
1. Policy formulation and implementation by the government on agricultural extension should be a collaborative effort involving all stakeholders. It should also include the operational linkages and partnership between extension and other relevant service institutions such as related to research, marketing, environment; commodities farm inputs, agricultural education and training, farmer's association and information technology.

In so doing, the enabling environment for full private participation will be guaranteed.

2. Privatization should be a gradual one as many farmers in Nigeria operate on smallholdings and lack access to necessary resources that can enable them adopt this system easily.

2. ICTs have created an opportunity for the marketing of agricultural information. Information can be made available in various forms and channels for the end users through the revolution of ICT world. The private sector in agricultural extension service delivery can now use this opportunity to competitively engage in information provision for users to pay.

3. Agricultural extension services have to be professionally and competently delivered so that the farmers have value to the services they pay for. This can be best done by showing the positive impact of extension advice in the form of higher crop yields, increased use of farm inputs, productive use of farm credit, improvement in decision making capability of farmers, satisfaction of women farmers' extension needs, active participation of farmers in extension programs, constructive programmes for rural youth, introduction of off season income-generating activities for rural men and women, readily advice on marketing, demonstrated increase in farmers income and overall reduction in rural poverty.

4. Farmers' access to credits is a function of their ability to sustainably pay for extension hence, provision of credit by both private and public at low interest rate to farmers in encouraged. As this will not only boost their agricultural production when invested wisely in enterprise, but can give them the financial power to pay for extension services.

REFERENCES


