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## Private agriculture extension service: An intervention to strengthen public extension system

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### Abstract

The primary goal of most governments is to reduce investment in agricultural extension while maintaining food security. India is also reducing its public investment in agricultural extension. Today, India is in the process of privatizing its input system to improve farmer access to purchase of inputs and to create a more efficient input supply system. In this process, the Indian extension system will most likely shift its attention to pressing needs. The concept of privatisation in agriculture extension service refers to the process of involving multiple sources of extension information to serve the growing demands of farmers for technological knowledge and skills. This however, does not replace the activities of public sector extension but allows them to concentrate on neglected areas, clientele and activities. This calls for new set of organisations to coordinate efforts of several agencies, monitor them and regulate output continuously. No doubt, Public Extension System is still playing a major role in the extension activities to reach farming communities but it has some limitations *viz.* its supply driven rather than demand driven philosophy, inefficient working staff, ineffective management of human and physical resources *etc.* So, in order to make extension system effective and efficient in the country, privatisation is must to some to extent. Thus, Private Extension Service Providers (PESPs) can play supplementary and complementary role to the Public Extension System. But at the same time it cannot supplant or substitute Public Extension System in the country in the present context. This paper discusses various issues related to problems of Indian agriculture, status of Indian extension system, extension strategies for 21st century, need of Private Extension Service, its supplementary and complementary role to Public Extension System and concerns of farming community regarding Private Extension Service.

**Keywords:** Privatisation, private extension system, supplementary and complementary role of PESPs

### Introduction

#### Agriculture sector in India

Agriculture sector in India suffers from poor productivity due to falling groundwater levels, expensive credit, a distorted market, the intermediaries (who adds more cost than values), controlled prices, inadequate infrastructure and poor quality of agriculture produce compared to the international standards. Agriculture has also suffered because of monsoon-dependent cropping system in dry land areas, poor irrigation facilities, use of traditional practices, poor economic status, fragmented landholdings, poor yields, lack of post-harvest infrastructure and lack of farm extension service. Agriculture research institutes have ample information on how to improve the productivity of the crops but are handicapped in disseminating the research based information because of the lack of sufficient finance and infrastructure. However, the situation has been changing in recent times. The need is not only to increase the crop production over the periods but also to sustain agriculture which can be done by providing the right information at right time and the marketing of agricultural produce at a reasonable price. While the government has social liabilities to uplift the agriculture sector, there are many Non-Government Organisations (NGOs), agri-input agencies, large agri-business houses, agri-processing firms involved in contract farming. Farmers' organizations and producer co-operatives, media and web-based agri service providers, financial agencies, agri-consultants and informal extension agents are actively involved in this sector.

Van den Ban (1996) <sup>[13, 14]</sup> stated that growing tendency towards privatization of government extension service is because of budget deficit in public sector. Moreover, by making extension agents accountable to farmers, extension service will become more efficient. In view of emerging technological developments in the wake of economic liberalization and globalization there is growing emphasis on high-tech export oriented agriculture, knowledge based agricultural enterprises and science led development.

### Indian Extension System

Following independence in 1947, the Indian extension system concentrated on rural community development as its major objective rather than having a strong agricultural focus. However, during the food crisis of the 1960s, the government initiated several major agricultural development projects such as the Intensive Agricultural District Programme (IADP) and the development of farmer training centers. During the same period, land mark in the history of Indian agriculture took place through 'Green Revolution' in which wheat and rice varieties were being tested throughout the country and in 1966 the Government of India imported high-yielding wheat seeds from Mexico. During this period, the Department of Agriculture (DoA), along with the other line departments such as Animal Husbandry, became involved in the distribution and sale of agricultural inputs and services. Although the high yielding wheat and rice varieties had an immediate effect on yields, the lack of attention by both research and extension to the management practices limited the overall impact.

The Training and Visit (T&V) extension system was first introduced into India during 1974 through a World Bank irrigation project. Given its focus on crop management practices, it had an immediate impact on wheat and rice yields. Consequently, this extension approach was adopted throughout the country during the following decade. Implementing T&V system extension largely completed the transformation of the Indian agricultural extension system from a community development agency to the one concentrating on technology transfer, especially for staple food crops. Although the extension management system changed under T&V, the basic structure of extension at the district and village levels changed very little. Under T&V projects, most states added large numbers of Village Level Extension Workers (VEWs) to achieve the recommended ratio of one VEW for approximately 800 farm households who would constitute an extension circle.

During the 1970s and 1980s, most of these VEWs were secondary school pass-outs who received in-service training provided under the World Bank funded project. In the last decade, most of the new VEWs were university graduates. Since Subject Matter Specialists (SMS) positions were filled on the basis of seniority, the technical expertise of this cadre remained weak. When T&V projects were being implemented during the 1970s and 1980s, these projects generally financed the salaries of the new staff, especially the expanding VEW cadre, plus travel and operational costs associated with the T&V approach. Once these projects were completed, then these additional salary costs shifted to the respective state governments. At this point, due to the lack of financial resources, in-service training programs and the regular schedule of fortnightly visits collapsed in most states. Therefore, during the 1990s, extension's operating budget shrank to about 10 per cent of recurrent costs, with the program budget being primarily financed through central government funded projects and schemes.

One of the major component in National Agriculture Technology Project (NATP) is Innovations in Technology Dissemination Component, the purpose of which is to pilot-test new organizational arrangements and operational procedures and not to merely strengthen the existing extension system. One key concept or goal is to decentralize decision making to the district level through the creation of Agricultural Technology Management Agency (ATMA). The second goal is to increase farmers participation in programme planning and resource allocation, especially at the block level

and to increase accountability to stakeholders. The third major goal is to increase programme coordination and integration, so that the programme thrusts such as Farming System Innovations, Farmer Organizations, Technology gaps and Natural Resource Management can be more effectively and efficiently implemented.

### Analysis of Public Extension System

Over the past two decades, India has relied on the T&V approach involving fortnightly visits to groups of contact farmers in each village. However, with the completion of T&V projects in the early 1990s, both VEW training and fortnightly visits have been largely discontinued due to the lack of operating funds. In India, the state government finances the salaries of extension workers and basic operating costs, but nearly all programme funds come from the central government. These funds come in the form of special projects, frequently involving the demonstration or distribution of subsidized inputs. Therefore, program decisions are largely centralized with little accountability to local farmers and other stakeholders. Following the food crisis in India during the 1960s and the introduction of T&V extension in the mid-1970s, technology transfer has also played an increasingly important role in the Indian extension system. At the same time, however, the technical capacity of the Indian extension system has never been particularly strong, both in the SMS and VEW cadres.

However, in the changing scenario of agriculture, there is a need for more technically competent extension personnel to undertake science led and market-led agricultural production.

### Extension Strategies for 21st Century

A primary goal of most governments is to reduce investment in agricultural extension while maintaining food security. India is also reducing its public investment in agricultural extension. Today, India is in the process of privatizing its input system to improve farmer access to purchase of inputs and to create a more efficient input supply system. Thus, this situation highlights the role of PESPs in filling the gap created by Public Extension System in delivering the information to farmers in an effective and efficient way.

### Need of Private Extension Service

Agricultural extension services are supposed to fulfill many objectives from reducing rural poverty, improving livelihoods of rural households to increase the overall production and contributing to foreign exchange earnings from export (Haug, 1999) [4]. This is especially so in the Indian context. Extension is about development of knowledge and human resources; accordingly agricultural development is much more than the supply of seed and fertilizer (Haug, 1999) [4]. A decision on how far India should pursue privatising its Agricultural extension services would essentially depend upon the type and quality of services made available by different agencies (especially private), information needs of farmers and also farmer's willingness to pay for extension services (Sulaiman and Sadamate, 2000) [11]. There has been perhaps insufficient critical reflection on principles, which should guide the privatisation process. Much has already been said about our public extension services such as lack of sustained funding, poor governance, poorly motivated staff and poor coverage and so on.

While advocating for privatisation, many important issues need to be answered like whether requirements of all groups of farmers are adequately met; whether gender issues are

emphasized accordingly; whether the quality, credibility and sustainability aspects of the new concept are carefully worked out both upon the nature of extension itself and upon the stage of development of the country (Carney, 1998) [3]. Leonard (1985) [5] argues that most extension work is inevitably a public good everywhere in the world, while Wilson (1991) [15] believes that information on new technology is a public good but that as a certain level of technology becomes widely accepted extension becomes a private good. At this stage farmers require a more individually tailored problem solving service. Such information will be subtractable and excludable and, so long as it is of high quality and they should be willing to pay for it.

In the short term, information becomes excludable because not all farmers receive the information at the same time because the speed of information dissemination can vary enormously, partly due to differences in medium (word of mouth Vs mass media) and differences in quality of communications infrastructure. However, in the long term the same information will no longer be excludable, as it becomes diffused (Umali and Schwartz, 1994) [12].

Public sector has been criticised for its insufficient and irrelevant activities (Rivera 1991) [8, 15]. According to him such government failures were attributed to bureaucratic inefficiencies and poor formulation and/or implementation of extension programmes, as a result of which under financing of the activities was started. Certain extension information has the limitation of being available to a selected farming group due to inaccessibility of factors like fertilizers, machines etc., to the entire farming group. Piccioto and Anderson (1997) [6] stated that privatization approach would allow the public sector to concentrate its limited resources on providing services to neglected areas and high leverage actions directed at education and training, information technology and creation of enabling frameworks for equitable and environmentally sustainable rural development. Hence private extension can adequately cater to this type of requirements.

### Concept of Privatisation

The definition of Agricultural Extension varies from simple transfer of information to facilitating the process of total human development. The services are mainly funded and delivered by government in Indian context. But, there are private players who also fund and/ or deliver extension services. This process of funding and delivering the extension services by private individual or organization is called Private Extension. But, privatisation is the act of reducing the role of government or increasing the role of private sector in an activity or in the ownership of assets (Savas, 1987) [10].

Privatisation is the incidence or process of transferring ownership of business from the public sector (government) to the private sector (business). In a broader sense, privatisation refers to transfer of any government function to the private sector including governmental functions like revenue collection and law enforcement. The term "Privatisation" has also been used to describe two unrelated transactions. The first is a buyout, by the majority owner, of all shares of a public corporation or holding company's stock, privatizing a publicly traded stock. The second is a demutualization of a mutual organization or cooperative to form a joint stock company.

Bloome (1993) [2] indicated that privatisation involves personnel in the private sector that delivers advisory services in the area of agriculture and is seen as an alternative to public extension. Whereas, Van den Ban and Hawkins (1996) [13, 14]

stated that, farmers are expected to share the responsibility for this service and pay all or part of the cost.

Saravanan and Gowda (1999) [9] operationalised Privatisation in the following manner, "Privatisation of agricultural extension service refers to the services rendered in the area of agriculture and allied aspects by extension personnel working in private agencies or organizations for which farmers are expected to pay a fee (or free) and it can be viewed as supplementary or alternative to public extension services".

### Supplementary and Complementary role of Private Extension System

The Public Extension System has played a significant role in all developing countries in providing agricultural information to farming community. But, due to its ineffectiveness, inefficiency and inability to cope up with the present day requirements, Private Extension Service has emerged strongly since '90s. The Private Extension Service Providers have the potential to supplement and complement the already existing Public Extension system.

The Private Extension System increases the efficiency of agriculture system by providing timely services and inputs on cost basis. PESPs have become known for timely delivery of service, quality service and accountability (Prabhakar, 2010) [7]. But the studies have shown that the majority of the farmers availing services of PESPs are large and medium farmers with high resource base, specialized in growing commercial crops for either processing or foreign export (Kumar and Vijayaragavan, 2007) [1].

Based on the study entitled with Opinion and preferences of farmers regarding private extension services: A study in *Tarai* region of Uttarakhand (Prabhakar, 2010) [7] it was found that the 'State Department of Agriculture (SDA)' was preferred for 'Veterinary service' (76.60 per cent), 'Insurance service' (75.00 per cent) and 'Input supplies' (51.6 per cent). Similarly 'PESPs' were preferred for 'Consultancy service' (58.33 per cent), 'Soil testing' (41.66) and 'Input supply' (36.66 per cent). 'University/*Krishi Vigyan Kendra* (KVK)' was preferred for 'Research work' (75 per cent), 'Seed production' (75 per cent) and 'Agriculture education' (58.33 per cent). 'Non Government Organisations (NGOs)' were preferred for 'Agriculture education' (30.00 per cent), 'Field diagnosis' (26.66 per cent) and 'Marketing service' (11.66 per cent). Thus, it was concluded that respondents were not completely dependent on PESPs for all type of information. This implied that the public extension system was still perceived to be a reliable source of information. PESPs can take supplementary and complementary role to public extension system but cannot substitute the public extension system completely. This study also revealed that Private Extension Service Providers mainly focused on large and medium famers and neglected small and marginal farmers', ultimately creating void to be filled only by Public Extension System. This again highlighted the inevitability of Public Extension System to focus on small and marginal farmers growing staple but low-value food crops in highly diverse and risk-prone areas of the country.

So, Public Extension System can reduce its burden on Government expenditure by gradually withdrawing services that are provided efficiently by Private Extension System. On the other hand, Public Extension System should focus on appropriate policy formulation and its implementation; monitoring and evaluation of various programmes; building core infrastructure that would attract investors in agriculture and save the transportation, storage and processing losses

without moving away from the twin objectives of national food security and social justice.

The education, research and training that would be strong pillars to extension, should also be the priority of Public Extension System.

### Concerns of farming community on Private Extension System

Privatisation of agriculture extension service seems to be the natural choice to provide demand-driven information and service with speed and efficiency. However, concerns are being expressed about the profit motive of private organisations and plight of farmers if services are not assured as promised.

Moreover, experiences of developed regions suggest that private extension agencies normally serve large farmers growing commercial crops. Zijp (1991) <sup>[16]</sup> said that private firms typically focus on the type and levels of use of inputs, disease prevention or control and harvest, post-harvest techniques. They are defined to increase farmer outputs, reduce post-harvest losses, and improve the quality, consistency and timeliness of the crop. However, the question remains whether private extension agencies will be biased towards profit motive and thereby to catering a class of farmers? The other serious issues raised regarding Private Extension System are its short term objectives of profit over sustainability and environment conservation. It was also reported that small and medium farmers growing staple crops in highly diverse and risk-prone regions are not served by PESP since these farmers cannot afford the cost of service, on the other hand PESP considers it non-remunerative to invest on such farmers and crops.

### Conclusion

Concept of privatisation in agriculture extension service refers to the process of involving multiple sources of extension information to serve the growing demands of farmers for technological knowledge and skills. This however, does not replace the activities of public sector extension but allows them to concentrate on neglected areas, clientele and activities. This calls for new set of organisations to coordinate efforts of several agencies, monitor them and regulate output continuously. No doubt Public Extension System is still playing as a major stakeholder in the extension activities to farming communities, it has some limitations like supply driven rather than demand driven philosophy, inefficient working staff, ineffective management of human and physical resources, etc. So, in order to make Extension System effective and efficient in our country, privatisation is must to some extent. Thus, Private Extension Service Providers will supplement and complement the role played by Public Extension System.

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