

**PRIVATIZATION OF AGRICULTURAL EXTENSION SERVICES IN NIGERIA: A
FALLACY?**

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Abstract

The paper began by bringing to the fore the basics of public and private funded agricultural extension services. It alluded to the fact that some private bodies have done reasonably well in providing agricultural extension services to rural farmers. Proponents of privatized agricultural extension are of the opinion that public financed agricultural extension is bedeviled with the many weaknesses associated with government bureaucracies. On the contrary, supporters of public funded agricultural extension maintained that 95% of extension work world over is done by one government department or the other and that privatized extension would not be visible in Nigeria, a country that has 65% of his farmers operating at subsistence level and who are too poor to pay for extension services. Furthermore, the paper exposes the hypocrisy of the First world who wants subsidies removed for the agricultural enterprise in all ramifications and in the contrary heavily subsidized their own agricultural sector, these subsidies have hurt African milk, livestock and grains export. Finally, it recommended that instead of an outright privatization sector, a middle ground should be pursued and this will be most desirable.

39 INTRODUCTION

40 The last two decades of the 20th century were decades that brought to the fore a shift from
41 government funded agriculture extension services and became ever increasingly allied on the
42 side of privatization in changing demands of modern agriculture. Extension programs across the
43 globe are being challenged to consider their impact, relevance and effectiveness in a rapidly
44 changing society (Ludwig, 2001). Extension is a partnership between state, federal, and local
45 governments to provide scientific knowledge and expertise to the public (Vergot *et al*, 2011).
46 This paradigm shift has led to resounding issues raised concerning extension in many facets.
47 Intellectuals belonging to and who have championed this radical departure have seen public
48 extension services as being outdated, inflexible, and being laden with the many inconsistencies
49 of bureaucracy and to this end cannot cope with the realities of extension services which are
50 public funded; privatization here does not mean the sale of state properties to private bodies,
51 rather it implies an over representation and an increasing private participation in agricultural
52 extension services which hitherto was a sole reserve of the public sector. To these, agricultural
53 extension in the 21st century has become more of a tool for technology transfer and for rural
54 development in which evidently the public sector have not fare too well. More so, world over
55 there has been a decline in the place of agriculture to the economic growth and subsequent
56 development of many hitherto agrarian economies, this has weakened the resolve, zeal, and zest
57 of many government to continue to fund public extension overtime. According to Saliu and Ige
58 (2009) public funded agricultural extension is becoming ever expensive for developing countries
59 and alternative ways of funding are now sought and options put forward include charging for
60 government extension services, reducing the money allocated to public extension, or better still a
61 complete privatization of the enterprise. However, this is not to say that public funded extension
62 services is out rightly undesirable, far from it, it has a huge role to play in the provision of
63 agricultural extension services to the Third World (Lees, 1990). Swanson *et al* (1990) posit that
64 about 81% of agricultural extension work around the world is done through one agriculture
65 department or another. Rivera and Cary (1997) corroborate this position when they maintain that
66 about 600,000 extension workers are engaged in the dissemination of agricultural information to
67 farmers worldwide and a whopping 95% of these are carried out by a government department or
68 a ministry. Why then the clamor for its demise?

THE CASE AGAINST PUBLIC FUNDED AGRICULTURAL EXTENSION SERVICES

According to Matanmi *et al* (2008) there has been a campaign for the involvement of the private sector in the provision of extension services because of the drastic cut in its development budgets and the inability of government to bring meaningful extension services to intended users. Shrinking budgets, downsizing staff, and limited knowledge of “agriculture” have serious consequences for maintaining public funded programs in the future (Mustian, 2001). Antagonists posit that public extension is like any other public enterprise that needed to be privatized, that private ownership would be better than public ownership, that there are inherent problems with public ownership of enterprise, and that privatization or better still quasi-privatization is part of a reform agenda to turn this enterprise around for better services delivery. According to Moise (1994) the rate of profitability of agricultural extension in Africa, Asia, and Latin America where public extension holds sway is supposed at best to be between 34-80% which is a far cry from the near 100% achieved in the United States of America where technical and agricultural information are bought and sold like any other commodity or a piece of farm equipment. Another argument against public financed agricultural extension according to Saliu and Ige (2009) is high and unsustainable public cost associated with it. For example, the government of one of the states in Nigeria in 1992 spent about 80% of the total cost for extension services on administration. Furthermore, financial capability to pursue extension services by the government when external funds which most often than not is a major source of funding for this sector in the Third World dries up poses a challenge. Mijindadi (1992) corroborates the position of Saliu and Ige (2009) when he indicted lack of funds amongst others as the chief bane hampering effective public enterprise in Nigeria, public agricultural extension inclusive. Agbamu and Okagbare (2009) painted a dire picture of this situation when they maintained that after external funding dried up in Ogun state, Nigeria, for public agricultural extension services the state Agricultural Development Program (ADP) could not cope; it could not provide vehicles and motorcycles for extension work, it could not pay salaries of its staff on a usual regular basis, and its training activities also was reduced by 40%. In their view Benor and Baxter (1984) posit that no sustained high level of agricultural production and income are possible without an effective agricultural extension services supported by agricultural research that is relevant to farmers need.

However, a major negative characteristic of public extension is that they are non-participatory. Here, technologies are supply driven instead of being demand driven; technologies are designed and are based on what is available and then attempts are made to get these to farmers, needs and preferences are not taken into consideration in the design processes and of these technologies themselves. Worst still, Anandajayasekeram *et al* (2005) went further to say that public funded extension have had a minimal 10% success rate. Putting these salient negativities into perspective who will champion its cause?

PRIVATE AGRICULTURAL EXTENSION SERVICES IN NIGERIA AND ITS INTRINSIC CHALLENGES

The issue of privatization of agricultural extension in Nigeria is not entirely a new phenomenon (Dimelu and Madukwe, 2001), though privatization of extension services in Nigeria is still in the form of increased private sector involvement in the provision of agricultural extension services and not an outright transfer of state assets to private hands. According to Contando (1997) agricultural extension to some extent is decentralized in Nigeria but the Federal government acts in most cases as a coordinator for the activities of other organization involved in extension programs. These organizations amongst others provide quasi-private extension services in Nigeria: Nigerian Tobacco Company, Shell Petroleum Development Company, United African Company, Leventis Foundation, John Holt Nigeria Company, Agip Oil Company, and various Famers development Unions. Akele and Chukwu (2004) are of the opinion that these private bodies have been found to have brought positive changes and development to the areas where they are involved in providing agricultural extension services. There is also the informal private sector, these are private organizations that provide extension services in areas of provision of agro-chemicals, micro financing, farm tools, agro-processing and general consultancy that are agricultural in nature. These informal private sectors according to Okoro *et al* (2006) sell inputs along with provision of extension services which are not charged for. It is worthy to know, however, that privatize agricultural extension services is beleaguered with some inherent and concomitant challenges, according to Ajieh *et al* (2008) the problems militating against privatization of agricultural services in Nigeria are; fear of job insecurity among extension staff, insufficiently trained extension personnel, high level of subsistence farming, and inadequate government legislation to back up the privatization process amongst others. Oboh and Nzewa

(2005) position is akin to that of Ajeh *et al* (2008) they opined that privatized agricultural extension services though noble may not be visible in a country like Nigeria which has 65% of its farmers operating on subsistence level, these poor subsistence farmers would all things been equal not be able to pay for commercialized extension delivery and these would have adverse effect on food production and subsequent security of the nation. Things are different, however, in the rich developed nations where you have less than 5% of the population into agriculture and majority of their farmers are educated and the population of their rural farmers are very low. In general, emphasis on commercialization of agricultural extension as it were has serious implication for the organization and staffing of the agricultural services; the role of non public extension services is more relevant for commercial oriented farmers and would be almost useless for farmers who are at subsistence level.

THE HYPOCRISY OF THE FIRST WORLD

The countries of the First world who are champions of liberalization per se have played the ostrich and have choose to downplay what statistics say, especially what figures reveal concerning the level of subsidies they give to their agricultural enterprises. The continued high level of support for farmers in the rich world countries poses a huge challenge to agriculture in the Third World/poor countries. The developed countries combine provide about one billion dollars per day to their farmers in the form of subsidies. The united State of American which epitomizes liberalization/privatization spent \$1.3billion on income support for its rice farmers from 1999 to 2000 when its total rice output was worth about \$1.2billion in this period. The European Union as a body according to Godoy (2005) spent almost 70 billion euro on agricultural subsidies yearly. These subsidies according to Hasseff and Shapiro (2003) have reduced African Milk export by over 90%, livestock by almost 70% and meat by 60%, non grain crops by 50% and grains by 40%. The US government subsidizes the production of grains, oilseeds, cotton, sugar and dairy products, its farm programs have cost it about \$20 billion per

153 year in budget outlays in recent years. Nearly 200,000 supposed farmers in Britain received
154 payments of 3.3 billion pounds in 2009, up from 2.6 billion pounds in 2008 (Vidal, 2011).
155 Support to farmers by Japan and Korea is a large chunk of the total world subsidy for rice, the
156 two countries have an average of subsidies on all production to the tune of 60-65%. Norway,
157 Switzerland and Iceland have an average of all production of all agricultural products subsidized
158 to the tune of 65-75% of the value of production, and the European Union subsidizes agriculture
159 to the tune of 35% of the value of production (Daniel,). In 2010, the European Union as a body
160 spent 57 billion Euro on agricultural development of which 39 million Euros was spent on direct
161 subsidies. Thurow and Kilman (2002) maintained that farmers in a certain sector in the OECD
162 got half of their income from government in 2002 and according to him this impacted negatively
163 on the incomes of farmers in that sector in West and Central African countries to the tune of
164 \$250 million annually. If the OECD countries i.e. USA, Canada, France, Italy, Britain and Japan
165 would subsidize most sectors of the agriculture why would a Third World nation like Nigeria not
166 subsidize just a sector of its agricultural enterprise, that is, agricultural extension services? For
167 many developing countries according to Fan and Saurker (2008) agriculture is its largest sector
168 in terms of its share in the GDP and employment, hence, it is more central and critical both to
169 their economic development and poverty reduction. This cannot be said of the developed
170 countries of Europe and North America, for example, the average share of agriculture in the total
171 employment of countries of the European Union in 2005 is 4.9%, in sharp contrast agriculture
172 accounts for over 70% in the total employment of a country like Nigeria. Nigeria with about 140
173 million people spent 148 billion naira equivalent to 725 million Euro on all its agricultural
174 enterprise including subsidies in 2010 while some countries of the European Union with a mere
175 4.9% on average of its population in agricultural enterprise spent staggering amount of Euro on

agricultural subsidies. For example, in 2005 Denmark with 5.5 million population, Germany with 82 million population, Greece with 10 million population, Spain with 40 million population, France with 64 million population, Ireland with 4 million population, Italy with 58 million population, Netherlands with 16 million population, Poland with 38 million population, Finland with 5 million population, and the United kingdom with 61 million population spent 973, 6093, 2262, 6493, 9685, 2225, 4417, 831, 2086, 2085, and 4451 million Euros respectively on agricultural subsidies. What an irony! Nigeria's agricultural sector is at a subsistence level and it's not strong enough to be at par with the level of development in the rich Western countries where commercial agricultural extension is said to be a 'norm'.

A CASE FOR A MIDDLE GROUND AND CONCLUSION

Agricultural extension plays a significant role in the global production and supply of food (Robert and Harder, 2011). In a strong and healthy economy agricultural extension going by the books is supposed to be self financing, but the irony is that even the rich and most liberalized economies of the world highly subsidize many facets of their agricultural enterprise covertly and sometimes overtly in many ramifications. Worst still, negative conditions that are part and parcel of poor economies have made privatized agricultural extension services in its purest form almost not achievable even in countries that epitomize free market economies (Koyenikan, 2008). Decentralizing the burden of extension expenditures of the Central governments have been championed in many agricultural reforms, this is in line with the findings of Gebremedhim *et al* (2006) they posit that this approach has worked well in Ethiopia; in addition to public financed extension, non-governmental organizations have been involved in providing extension services to farmers.

198 The development of agrarian economies of the Third World to a large extent depends on the
199 speed at which growth in its agricultural sector can be achieved, that is, the rate of agricultural
200 growth in poor agricultural based economies depends on the speed at which its subsistence
201 agriculture which is often the highest employer of labor is groomed into a vibrant market
202 oriented one. A working agricultural extension service has a huge role to play in the actualization
203 of this, it plays a sine qua non role because it contributes to the development of skills and
204 knowledge to farmers to adopt either new improved technologies, facilitates linkages of farmers
205 with other institutional support services such as input supply, credit, and agricultural produce
206 marketing etcetera. No wonder Purcell and Anderson (1997) maintained that agricultural
207 extension is a process that helps farmers become aware of improved technologies and adopt them
208 in order to improve their efficiency, income, and welfare. To this end, there is need for
209 substantial prudent public funding of the agricultural enterprise including extension services
210 most especially in Third World agrarian economies because of the many known advantages
211 associated with it. Again, because public extension is expensive and sometimes wasteful and
212 requires a huge investment especially in poor agrarian country like Nigeria a country with over
213 70% of its population in the agricultural sector and over 98% of these operating at subsistence
214 level and in rural areas. Contado (1997) posits that instead of an outright public funding of this
215 sector a middle ground approach would be most desirable and should be pursued (a quasi-
216 public-quasi-private program). Modalities should be put in place to improve efficiency, reduce
217 cost, become responsive to variations in farmers needs, focus more on their core extension
218 duties, decentralize management, motivate its staff to do more, check wastefulness, reduce its
219 dependence on foreign donors, increase its private sector participation, and finally, cost sharing
220 for public financed extension among other tiers of government should be aggressively pursued.

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223 COUNTRIES OF THE EUROPEAN UNION, THEIR POPULATION, AND SUBSIDIES FOR

224 AGRICULTURE IN 1995, 2000, AND 2005

Country	Population	1995	2000	2005
Belgium	10,584,534	334	351	500
Czech Rep	10,220,911	-	170	670
Denmark	5,484,723	796	789	973
Germany	82,369,548	5704	5601	6093
Estonia	1,307,605	3	22	90
Greece	10,722,816	1944	2128	2262
Spain	40,491,051	4242	4895	6493
France	64,057,790	8030	8152	9685
Ireland	4,156,119	911	1284	2225
Italy	58,145,321	2938	4794	4417
Cyprus	794,604	--	3	4
Latvia	2,245,423	--	15	171
Lithuania	3,565,205	--	18	228
Luxemburg	486,006	34	48	61
Hungary	9,930,915	--	172	1088
Malta	403,532	--	1	19

Netherlands	16,643,313	566	408	831
Austria	8,205,533	2035	1422	1730
Poland	38,500,696	--	214	2086
Portugal	10,676,910	740	664	1038
Slovenia	2,007,711	23	64	199
Slovak Rep	5,455,407	164	235	236
Finland	5,244,407	2289	1967	2085
Sweden	9,045,398	704	882	1018
United Kingdom	60,943,912	2920	4099	4451
Bulgaria	7,262,675	--	5	78
Romania	22,246,862	--	228	308

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