
UNIT 2 PRIVATE AND CORPORATE EXTENSION SERVICES

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2.1 INTRODUCTION

The number and types of organizations supporting extension and development with information, inputs and services have increased during the last two-three decades. Many of them are private agencies which, while not always formally identified as extension services, nevertheless provide advisory and other support services to people. These include: input agencies, group organisations, producers' cooperatives, agro-processors, non-governmental agencies (NGOs), agri-business houses, progressive farmers, individual consultants and consultancy firms, financial institutions, and media and internet services. Though Government, especially through the state line departments continues to support development through implementation of different programmes, people depend on many of these private agencies to meet their demands for information and other support for development.

What roles does the private sector play in extension? Can it complement the public sector extension efforts? Or is private extension a substitute for public extension and if so can extension be privatised? This unit discusses some of these issues and explores potential opportunities for enhancing the effectiveness of extension service delivery through forging public-private partnerships.

After studying this unit, you should be able to:

- explain the importance of private and corporate extension;
- describe the diversity of extension service providers;
- discuss the experiences from private extension and privatization of extension services; and
- better support implementation of public-private partnerships in extension.

2.2 PRIVATE EXTENSION AND PRIVATISATION OF EXTENSION

Promoting private extension and privatization of extension services are two approaches used by national governments worldwide to improve the delivery of extension services. Private extension is not a single entity, but includes a wide range of service providers. The first type is entirely private and they use their own revenues to promote technologies, inputs and services. Most of the private profit oriented actors belong to this category. The second type consists of organizations that receive funds from government and other donors for implementing extension programmes and they are mostly of the “not-for profit” type. The third type consists of membership organizations that raise some resources from members (either as membership fee or service fees) for providing services.

Broad Classification of Private Extension Service Providers
Private profit-oriented actors
<ul style="list-style-type: none">• Consulting enterprises• Processing/marketing enterprises• Input supply enterprises• Traders• Private universities and research institutions
Private not-for-profit organizations
<ul style="list-style-type: none">• NGOs• Religious organizations
Producer organizations
<ul style="list-style-type: none">• Farmer associations and federations• Commodity grower associations• Community and village organizations

Though private extension and privatization of extension are totally different aspects, both are often viewed similarly. While private extension indicates the extension activities of private individuals or organizations, privatizations is a public policy decision taken by the Government to reduce its role in an activity and encourages private sector to take up these roles. Privatisation of extension can take place broadly in two ways:

- i) Dismantling
- ii) Controlled privatization

2.2.1 Dismantling

In this case, public sector extension organization is closed down or abandoned and the services of the existing staff are terminated. Several European countries, as well as Australia and New Zealand, have largely privatized their public

extension system. In most cases, these newly constituted private extension organizations received public funding on a declining basis while they attempted to shift the cost of advisory services to users in the form of user charges.

2.2.2 Controlled Privatization

In this case, the public sector extension agency is transformed to become more efficient and effective by changing ownership, governance and funding pattern. And the options include:

- i) **Contracting:** Government contracts the private companies or the NGOs to offer specific extension services. (eg: Government contracting experienced and well recognized NGOs for training officials and farmers on new technologies/approaches such as Integrated Pest Management and Watershed Management.
- ii) **Franchise agreements:** Government grants private entities authority to provide a particular service. Users receive and pay for the services directly, but the government may monitor performance (eg: Use of paravets to offer AI services and animal vaccinations).
- iii) **Vouchers:** Government provides certificates to producers that they could exchange with qualified service providers for services. The service providers can then returns the voucher to the government for reimbursement. (eg: Extensively tried in Uganda through the National Agricultural Advisory Services (NAADS) programme).
- iv) **Self-help:** Government encourages individuals or groups to organise their own services for development (eg: Government organizing farmer interest group and commodity based groups and supporting them to access services and information)
- v) **Subsidy arrangements/grants:** Government makes a financial contribution to private organizations to facilitate the provision of services at reduced or zero cost (eg: Government contracting NGOs to provide services to farmers in specific locations).

Activity 1

Identify the different individuals and organisations providing private extension service in your district. Enquire and write how these different agencies are funded and how far the costs for providing these services are recovered from users?

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Check Your Progress 1

Note: a) Use the spaces given below for your answers.

b) Check your answers with those given at the end of the unit.

1) Write the examples for the following Private Extension Service Providers

a) Private profit-oriented actors :

b) Private not-for-profit organizations:

c) Producer organizations :

2) Write any three options for controlled privatization.

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2.3 WHY PRIVATISE EXTENSION?

There is a general belief that the private sector is more efficient and cost effective than the government in running certain public services. Private companies are normally smaller than government bureaucracies, which helps them to take action more quickly when needed. They also have necessary resources and use better technology to provide quality and timely service at a lower cost. Of course profit making is the ultimate motive of private companies. Sectors like communication, railways, industries, education and health have been privatized in many developed countries. This trend for privatization is now expanding in less developed countries as well. Areas like agricultural extension, which involves long term investment in human behavioural change, is not as attractive to the private sector as are those which give quick and positive returns on their investments. Still, there are components within agricultural extension such as the sale of farm inputs like seed, fertilizer and pesticide and advisory services for the same, which could promise profit.

Through the process of privatisation, extension effectiveness is expected to improve by:

- reorienting public sector extension with limited and well focussed functions.
- more number of extension providers (institutional pluralism) resulting from active encouragement by the public sector to initiate, operate and expand.
- more private participation leading to the availability of specialised services hitherto not available from the public system.
- user contributions to extension leading to improved financial sustainability, and support and control by clients leading to client orientation.

Whether privatisation is the only means to achieve overall effectiveness and efficiency in extension can be further debated. Some have questioned the distributional impacts; the dependence on private providers would result in

extension. Sulaiman and Gadewar (1994) based on a review of experiences from privatisation of extension in different countries lists major disadvantages arising out of extension privatisation as follows:

- i) contradictory message flow.
- ii) negative impact on sustainability.
- iii) sidelined educational role.
- iv) lesser contact between farmers and extension.
- v) high cost of technologies.
- vi) increase in regional imbalances.

It is worth mentioning here that the public sector extension is not totally free from many of these limitations. Katz (2002) noted that reforms in public extension organisations such as decentralisation, transformation to independently functioning units, or the introduction of payment for services in the private interest and other cost-sharing agreements, coupled with capacity building for personnel, appear in general just as promising as privatisation.

Activity 2

Discuss with some of your colleagues on how privatization improves the effectiveness of extension. Compare their views with those given in the above section.

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Check Your Progress 2

Note: a) Use the spaces given below for your answers.

b) Check your answers with those given at the end of the unit.

1) Write any three advantages of extension privatization.

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2) Write any three disadvantages of extension privatization.

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2.4 OPTIONS FOR FUNDING AND DELIVERING EXTENSION

Though extension services were originally designed world-wide as a publicly funded and publicly delivered service, many of them adopted different forms of funding and delivery during the last two decades. These were essentially implemented to reform public sector extension.

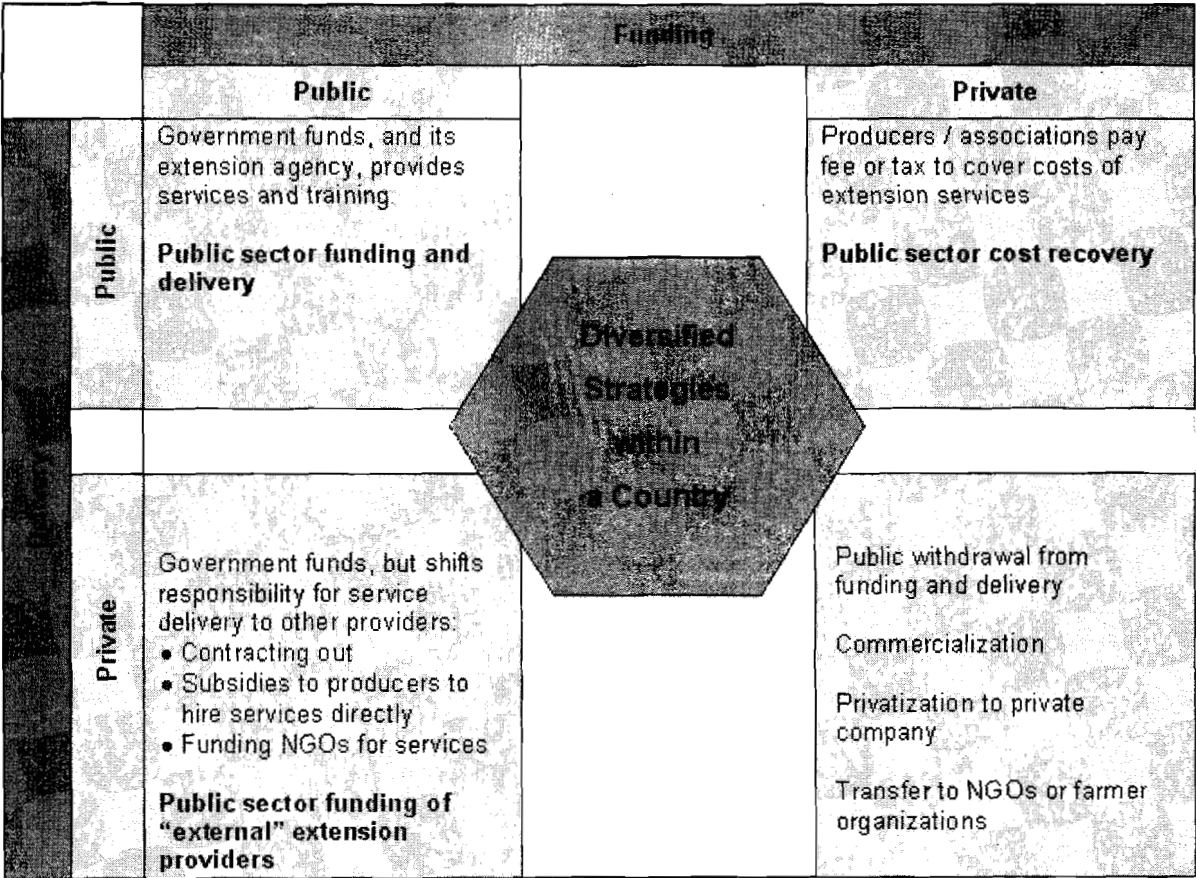


Fig.2.1: Public sector extension funding and delivery alternatives (Source: FAO, 2009)

- The ‘upper-left quadrant’ indicates the common funding and delivery of extension via public sector extension systems. This quadrant illustrates the traditional arrangement by which governments fund and deliver public sector agricultural extension services.
- The “lower-left quadrant” refers to systems where the government continues to fund extension, but shifts responsibility for delivery in various ways (contracting, subsidies to producers to hire their own services, funding NGOs to carry out extension-type services, etc.). Essentially, funding comes from the government, but private entities deliver all or part of the services – usually through contracting arrangements. The government may also fund producers directly for the hiring of extension services. In another variation, the government may fund grassroots organizations to carry out government-directed extension activities. Funding an NGO or other entity to carry out extension services is distinct from the government shifting its entire responsibility to NGOs or farmer organizations, which is the alternative illustrated in the quadrant on the lower right.

- The 'upper-right quadrant' points to systems in which the public sector provides services, but charges fees for them (paid for by the individual or farmer organization). This represents a cost-recovery approach.
- The 'lower-right quadrant' highlights government withdrawal from funding and delivering extension. Authority for the service is shifted to the private sector, where extension services are funded and delivered by a private entity, or delegated to an NGO or farmer association, which then funds and delivers the service.
- The 'central hexagon' indicates that any combination of these approaches to extension funding and delivery may be operative at any one time. Indeed, in an institutionally pluralistic system several of these arrangements may be operative at any one time.

2.5 PRIVATE EXTENSION INITIATIVES IN INDIA

Many of the private extension initiatives in India emerged without any active state support. Quite often they emerged in response to deficiency in public extension service provision. The private extension service providers in case of agriculture extension include the following:

- input agencies (dealing with seeds, fertilisers, pesticides, equipments).
- large agri-business firms (involved in manufacture and sale of inputs and purchase of outputs).
- farmer organisations and producer co-operatives.
- non-governmental organisations (NGOs).
- media (print, radio and television) and web based knowledge providers.
- financial agencies involved in rural credit delivery.
- consultancy services.

2.5.1 Input Agency Extension

Many agro-input companies perform some extension functions. This may also be viewed as one function of marketing and often it is the marketing officers who oversee the extension-related functions. Major categories of agro-input companies include, those dealing with seeds, fertilisers, pesticides and agro-machinery. All these agencies publicize their products through billboards, wall paintings, leaflets and advertisements in newspapers, farm magazines and television channels. A few of them also take up few demonstrations to publicize new products. These companies generally do not provide any extension support to individual growers or farmer groups as they employ only limited manpower in their target area.

Unlike the case of seed companies, the extension activities of fertiliser companies are more visible and diverse, though it is difficult to fully differentiate market promotion and extension activity. Indian Farmers Fertiliser Co-operative Limited (IFFCO) and Krishak Bharati Co-operative (KRIBHCO), the two major fertiliser co-operatives in the country are actively involved in organising several extension activities. They conduct farmers meetings, organise crop seminars, arrange soil testing facilities and also implement village adoption programmes. Though the

technical manpower available with them is limited, they arrange several programmes in close collaboration with agriculture departments and state agricultural universities.

KRIBHCO Initiated Gramin Vikas Trust

Gramin Vikas Trust (GVT) was established as an independent legal entity by KRIBHCO, a premier fertiliser company of India, in the cooperative sector under the Government of India. For the past one and a half decades, it has managed and implemented programmes for enhancing sustainable livelihood development and poverty reduction and empowering communities to manage resources in rural and tribal areas, initially under direct control of KRIBHCO, and since 2000, independently. Initial funding was made available by the UK Department for International Development (DFID-UK). GVT believes that community participation in development programmes is crucial towards ensuring peoples' contributions, financial as also their physical energies and innovative insights. The objectives of GVT are to:

- improve socio-economic conditions of the poor and the marginalized
- develop gender responsive participatory approaches
- establish village based institutions for sustaining change
- maintain partnerships with diverse stakeholders
- promote, coordinate and conduct applied research and
- create a centre for knowledge assimilation and sharing

The strength of GVT lies in their long experience in sustainable livelihoods support in the rainfed and resources poor tribal areas and successful participatory models in farming system development. GVT believes that communities have the capacity to take decisions and implement them effectively, if they have enough knowledge and their approach is based on this belief. GVT engages in various aspects of development which include, natural resources management; agriculture; sustainable livelihood improvement; migrant labor support programme apart from different projects of state and central governments on partnership basis. The GVT team comprises of well-qualified, experienced, multidisciplinary and full-time professionals - 165 in the Western region (Madhya Pradesh, Rajasthan and Gujarat) and 64 in the Eastern region (Jharkhand, Orissa, West Bengal); 30% of these professionals are women. The teams include specialists in the fields of community development, gender, savings and credit, forestry, crops, livestock, soil and water conservation, water resource development, monitoring and impact assessment, development management and financial management (Source: <http://www.gvtindia.org>).

Tata Chemicals Limited, an agro-chemical company has initiated *Tata Kisan Kendras* (TTKs) in 1998 with the objective to provide the farmer with a package of inputs and services. This model was subsequently expanded as *Tata Kisan Sansars* (TKS) which is a network of nearly 600 farmer resource centres that caters to more than 3.5 million farmers in 22000 villages in the northern and eastern part of India.

Tata Kisan Sansar

The centres are one-stop solution shops that provide farmers access to a wide range of agricultural inputs such as fertilizers, seeds, and pesticides along with agricultural services such as soil testing, crop advisory and foliar application services. The objective of the TKS network is to enable and empower the farmer in creating and generating more value for farm produce by providing information on new and improved agronomic practices and by facilitating better and more efficient use of agricultural inputs. TKS functions as a hub and spoke model. Each TKS centre is a franchised retail outlet and solution provider that caters to about 30-40 villages in the surrounding area. The centres are in turn serviced by about 30-odd resource centres (known as Tata Krishi Vikas Kendras or TKVK), with each resource centre looking after 17-18 TKS centres. There are more than 60 agronomists available at the hubs to provide advice on crops and farming issues. New services being explored include financial services and IT enabled market information

2.5.2 Agri-business Firms

Major agri-business firms ITC and Pepsico during the last few years have initiated innovative arrangements to provide farmers with integrated production and marketing support.

Indian Tobacco Company (ITC) is a market leader in tobacco products, hotels, and packaging, and its International Business Division is one of India's largest exporter of agricultural commodities. ITC's extension effort revolves around *e-chaupals*, which are village internet kiosks that enable access to information on weather, market prices and scientific farm practices.

E-chaupals

Launched in June 2000, the ITC has so far established more than 6500 e-chaupals covering 40,000 villages and serving over 4 million farmers. Currently, the 'e-Choupal' website provides information to farmers across the 10 States of Madhya Pradesh, Haryana, Uttarakhand, Uttar Pradesh, Rajasthan, Karnataka, Maharashtra, Andhra Pradesh, Kerala and Tamil Nadu. The services reach more than 750,000 farmers growing soyabean, coffee, wheat, rice, pulses and shrimp. Each kiosk is run by a local farmer (sanchalak), selected from the village and provided with short training. The company provides the infrastructure for the choupal, including a computer, a printer, UPS system, solar panel and internet connectivity through VSAT. The sanchalak provides the space and has to meet other operational expenditures such as electricity charges. Producers could access information on cultivation practices, daily information on prices prevailing in different markets and the price offered by ITC, detailed district-specific weather information through computers installed at the e-chaupal. It is a virtual market place where farmers can transact directly with the processor and can realize better value for their produce. The sanchalak has a transaction-based income. Farmers are free to use this facility and there is no fee or registration charge. ITC target to cover 25 million farmers in 1 lakh villages by establishing 20,000 more e-choupals in 15 states by 2010. (Source: <http://www.itcportal.com/rural-development/echoupal.htm>)

2.5.3 Farmer Organisations and Producer Co-operatives

User groups, including farmer interest groups, farmer clubs, commodity groups, women farmer groups, special interest groups' etc play a very important role in extension. Government is also keen on promoting farmer organizations as it could create mechanism at the village level among farmer members to empower them for their own problem solving. However, there are only very few functional farmer organisations in India. One of the oldest and most successful farmer organisations in India is the Grape Growers Association of Maharashtra (*Maharashtra Rajya Draksha Bagaitdar Sangh or MRDBS*). MRDBS provides a wide range of services to its member producers.

Extension by Farmer Association- a case of MRDBS

The Maharashtra Rajya Draksha Bagaitdar Sangh (MRDBS) established in 1960, has been the main force behind the development of grape cultivation in Maharashtra. The Association is managed by elected representatives of the growers. The association regularly conducts group discussions and seminars at different locations for grape cultivators. It also publishes leaflets and booklets covering different aspects of grapes cultivation. The association has full-fledged independent R&D wing headed by competent scientist. Evaluation of new varieties of grapes, pest controls are some of the subjects researched upon. It also seeks the expertise of scientists in research centres and universities and other experts on viticulture in India and abroad to support grape farmers with technical support. The association had been instrumental in the creation of MAHAGRAPES, a confederation of 16 grape grower societies from Sangli, Solapur, Latur, Pune and Nasik areas of Maharashtra in 1991. The main objective of Mahagrapes is to boost the export of grapes for which facilities like pre-cooling and cold storages has been erected at each grape grower co-operative society. Due to the concerted efforts of 'Mahagrapes' the brand of Maharashtra's Grapes is well established in the international market.

2.5.4 Non-Governmental (voluntary) Organisations (NGOs)

Estimates of the number of NGOs active in rural development in India range from fewer than 10,000 to several hundred thousand depending on the type of classification used. Some 15,000-20,000 are actively engaged in rural development. India has a number of NGOs with varying levels of capacity, implementing a wide range of programmes. Bharatiya Agro-Industries Federation (BAIF), Professional Assistance for Development Action (PRADAN) and Action for Food Production (AFPRO, Foundation for Ecological Security (FES) are some of the important NGOs working in several states. Wide variation in density of NGOs exists among states. Within states, certain districts have high density of NGOs, which overlap and compete for clients, while in other areas, there are hardly any NGOs active on the ground. The eighties saw a spurt in the growth of rural development focused NGOs and several of them got actively involved in watershed development. In the nineties, several NGOs got involved in promotion of micro-credit through organising SHGs. Due to their effectiveness and flexible operational mechanisms, governments are increasingly finding partnering with NGOs attractive. Several Ministries of the Union Government have a separate provision to fund NGOs for specific activities.

2.5.5 Media and Information Technology

The widespread availability and convergence of information and communication technologies (ICTs) – computers, digital networks, telecommunication, television etc in India in recent years have led to unprecedented capacity for dissemination of knowledge and information to the rural population. Mass media and print media have been traditionally linked with extension programmes in India. The All India Radio and the Doordarshan (state run radio and television units respectively) transmit programmes on different aspects of agriculture every day. In the nineties, private TV channels like E-TV started telecasting daily programmes on agriculture.

The village knowledge centres initiated by the MS Swaminathan Research Foundation (MSSRF) in Pondichery aims at building a model for the use of ICTs in meeting the knowledge and information requirements of rural families by taking into account the socio-economic context and gender dimension. In 2004, MSSRF, IDRC, Microsoft, NASSCOM Foundation and ISRO initiated steps to extend the Village Knowledge Centres (VKCs) to different parts of the country by creating multi-stake holder partnership called “Mission 2007: Every Village a Knowledge Centre”.

Village Knowledge Centres

Since 1992, M S Swaminathan Research Foundation (MSSRF) – a non-profit research organization has been implementing the Village Resource Centres (VRCs) and Village Knowledge Centres (VKCs). Normally the VRC is located at block level or commune level or mandal level or at the centre point of a cluster of villages. VKCs are normally located among a cluster of villages or panchayat level. Space and electricity for operationalising the VKC are provided by the partners (elected village administration, traditional village administration, farmers and fishermen associations, milk societies, youth clubs, NGOs, religion based institutions such as temples and churches, village development council, etc.).

Most of the operators and volunteers providing information are women. Information provided in the village knowledge centres is locale specific. For instance at Pondicherry, information provided include prices of agricultural inputs (such as seeds, fertilisers, pesticides), outputs (rice, vegetables, sugarcane), market entitlement (the multitude of schemes of the government), health care (availability of doctors and paramedics in nearby hospitals, women’s diseases), cattle diseases, transport (road conditions, cancellation of bus trips) and weather (appropriate time for sowing, areas of abundant fish catch, wave heights in the sea). Most of the information is collected and fed in by volunteers from the local community itself. Much of the content has been developed in collaboration with the local people. The volunteers were trained in PC operations and in using the data-cum voice network.

2.5.6 Financial Institutions

Financial institutions lending to agricultural sector provide advice and consultancy to potential borrowers on financial viability of their proposals. All banks involved in agricultural lending organises farmer meetings and seminars every year.

Rural Lending and Livelihood Promotion- A Case of BASIX

The Holding Company of the BASIX Group is called Bhartiya Samruddhi Investments and Consulting Services (BASICS) Ltd.) which started operations in 1996 as India's first "new generation livelihood promotion institution". BASIX works in 15 states - Andhra Pradesh, Karnataka, Orissa, Jharkhand, Maharashtra, Madhya Pradesh, Tamilnadu, Rajasthan, Bihar, Chattisgarh, West Bengal, Delhi, Uttarakhand, Sikkim and Assam. It is currently working with over 1.5 million customers, over 90% being rural poor households and about 10% urban slum dwellers. BASIX mission is to promote a large number of sustainable livelihoods through the provision of financial services and technical assistance in an integrated manner.

BASIX strategy is to provide a comprehensive set of livelihood promotion services to rural poor households under one umbrella and its operations are guided by its "livelihood triad" strategy. The rationale behind the Livelihood Triad strategy is as follows: Micro-credit by itself is helpful for the more enterprising poor people in economically dynamic areas. Less enterprising poor households need to start with savings and insurance before they can benefit from micro-credit, because they need to cope with risk. However, in backward regions, poor people, in addition to microfinance, need a whole range of Agricultural/ Business Development Services (productivity enhancement, risk mitigation, local value addition, and market linkages). Agriculture and Business Development Services aim to strengthen the livelihoods of the rural poor and women by identifying the sub sectors on which a significant number of people are engaged and institutionalize the services to work on the gaps identified. The services include productivity enhancement, risk mitigation, facilitating input and output linkages and value addition to ensure a fair return to the producer.

2.5.7 Consultancy

Farmers generally consult other relatively progressive farmers for information and advice related to production, post harvest management and marketing. Another major source of advice is the local input dealer. Some input firms such as AGROCEL and *Tata Kisan Kendras* provide free consultancy services. Emergence of paid extension services in agriculture is a relatively recent phenomenon.

Agri-clinics and Agri-Business Centres

To tap the expertise of a large pool of agricultural graduates in the country, the Ministry of Agriculture in association with NABARD and MANAGE is implementing the Agri-Clinics and Agri-Business Centres (AC&ABC) Scheme.

The objectives of this scheme are as follows.

- supplement the efforts of government extension system,
- make available supplementary sources of input supply and services to needy farmers and
- to provide gainful employment to agricultural graduates in new emerging areas in agricultural sector

Agricultural graduates are provided training in agri-business development for two months through institutions in public/private sector. The entire cost of training and handholding is being borne by the Government of India. The trained graduates are expected to set up AC&ABCs with the help of bank finance. More than 11500 graduates have been trained resulting in establishment of 3750 centres in various parts of the country spread across 36 categories of agri-ventures.

Activity 3

Watch the extension programmes broadcasted by different television channels for farmers and entrepreneurs. Note the names and timings of the programmes.

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Check Your Progress 3

Note: a) Use the spaces given below for your answers.

b) Check your answer with those given at the end of the unit.

1) List the private extension service providers in case of agriculture extension

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1.6 GLOBAL EXPERIENCES AND LESSONS WITH EXTENSION PRIVATIZATION

Extension systems in several countries have undergone drastic changes in the last two decades. Many of these systems are still evolving. These changes have been primarily in response to:

- increasing private sector involvement
- declining ability of central and state governments to fund extension,
- changing paradigms of rural development emphasizing decentralization and greater client control and
- the overall interest in providing farmers with improved extension services.

Privatization Models in Different Countries

New Zealand	: Complete commercialisation of public extension
The Netherlands	: Cost-recovery from farmers
Germany	: Many models in different states: completely privatised, semi-privatised, subsidised farmer association, voucher system
China	: Contracting of subject-matter specialists by farmer groups
Ecuador	: Share cropping between farmers and extension staff for a profit
Costa Rica	: Voucher system, targeted as small-farmers to contract private extension
Chile	: Sub-contracting and voucher system
Ethiopia	: Privatised service centres
Turkey	: Cost-sharing of advisors
Kenya	: Extension associated with contract out-grower schemes

(Source: Kidd *et al.*, 1988)

1.6.1 Lessons from Private Extension

Based on a review of private extension initiatives in India, Sulaiman (2003) has identified the following lessons on private extension

- The private extension offers much scope for supplementing and complementing public sector extension.
- Crop/commodity focussed extension of private sector though very useful, is narrow in one sense as they do not engage with other related issues such as farmer organisation development or those issues related to sustainability of resource use.
- Remote areas and poor producers (especially those growing low value crops and having little marketable surplus) are poorly served by both private as well as public sector extension.
- While public funding would remain important, the delivery of all kinds of services need not necessarily be through the public sector. Several of these services could be either contracted by the public sector to other private extension providers such as NGOs and private consultancy firms for delivering specific services in select regions and client groups or jointly funded and implemented by public and private agencies
- Public funds also could be utilised to fund farmer organisations to help them contract services from other service providers including public sector. However, efforts should be made to strengthen the capacity of farmer organisations to prioritise, demand, contract and monitor services.
- Private extension is not a substitute for public extension and there is a need for significant public funding for extension in the years to come.

- As farmers are also willing to pay for value-added services, the challenge is to create quality services so that partial cost recovery can commence.
- Financial participation needs to be seen more as an accountability enhancing mechanism and not purely as a mechanism to reduce costs.

2.7 LET US SUM UP

In this unit, we discussed the different issues related to private extension and privatisation of extension. We started with the rationale for promoting private extension and discussed the different options for funding and delivering extension. Later we examined the nature of functions performed by different types of private extension service providers in India. This was followed by very brief discussion on experiences of privatising extension world-wide and lessons learned.

2.8 KEYWORDS

- Cost Recovery** : Cost recovery is the means by which an organization may choose to obtain funds or funding. Full cost recovery attempts to recover all associated costs. In most cases with public sector extension, the public sector continues to fund the basic costs and operations of the system, with the institution recovering partial costs .
- Cost Sharing** : Cost sharing refers to the sharing of extension costs by sources other than the external funder, for instance when companies, NGOs or farmer associations contribute to extension to carry out a mutually useful task.
- Funding** : Funding, in a general sense, means obtaining money to carry out a project, or the way in which money for a project is obtained – through grants, gifts, membership contributions, loans and fees for services and/or products.
- Privatization** : Privatization can range in scope from leaving the provision of goods and services entirely to the free operation of the market, to “public-private partnerships” in which government and the private sector cooperate to provide services or infrastructure.

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2.10 CHECK YOUR PROGRESS – POSSIBLE ANSWERS

Check Your Progress 1

- 1) a) Private profit-oriented actors: Consulting enterprises; processing/ marketing enterprises. (b) Private not-for-profit organizations : NGOs and religious organizations (c) Producer organizations : Farmer associations and federations; Commodity grower associations.
- 2) The options for controlled privatization include contracting, franchise agreements, vouchers, self-help and subsidy arrangements/grants.

Check Your Progress 2

- 1) The advantages of extension privatization includes: efficiency and cost effectiveness; quick actions; high resources and use better technology; quality and timely service at a lower cost.
- 2) The disadvantages of extension privatization includes: contradictory message flow; negative impact on sustainability; sidelined educational role; lesser contact between end users and extension; high cost of technologies, and increase in regional imbalances.

Check Your Progress 3

- 1) The private extension service providers in case of agriculture extension are: input agencies; large agri-business firms; farmer organisations and producer co-operatives; NGOs,; media ; financial agencies and consultancy providers.