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Shaping Lives...
Empowering Communities...

Lecture- 26

Privatization

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Introduction

In developing countries, advancing agriculture from subsistence farming to more commercialized specialized farming requires advisory services that are technically sound and accountable to clients. In most developing countries, public guidance systems perform poorly and generally disappointing. Moreover, public advisory bodies around the world have recently experienced severe financial crises. The ideology of globalization and liberalization has presented many challenges and opportunities for developing countries, especially in the agricultural sector, to meet the challenges of a global free market economy. This situation requires a structural and functional adjustment of the drawer system.



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Weak point of Public Extension System in India

- India public extension system concentrated on rural community development objectives, rather than having strong agriculture focus.
- Supply driven, Production-led, top-down extension system.
- Extension worker and farmer ratio 1:1000
- Ineffective extension service
- Women involve is low.
- Policy issue
- Inability to reach all farmer



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Need of Privatization

- Government inability to provide adequate funding for counselling services.
- A gradual shift in technology from primarily public goods to private goods.
- To meet the challenges of WTO on agreement.
- To evolve technology according to the need and interest of farmers.
- Rise in number of NGOs ready to implement rural programmers.
- To reduce the losses occurred during marketing.
- Increasing involvement of input companies and product marketing companies in transfer of technology.



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Factors for Privatization of Agricultural Extension Service in India

- Types of crops cultivated throughout the country.
- Socio-economic strata differences among the farming community viz. Tenancy, ownership, leased, small, marginal, medium and large farmers categories.
- Entirely drastic agro climatic variation along across the length and breadth of the country.
- Different approaches followed in various developing/developed countries and their utility possibilities in our country, environment etc.
- Changes in rainfall pattern, vagaries of monsoon, floods, cyclone etc.



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Advantages of Private Extension System

- According to Sulaiman & Sadamate(2000) through the process of privatization, extension effectiveness is expected to improve by: -
- Reorienting public sector extension with limited and well-focused 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 specialized services hitherto not available from the public system.



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Disadvantages of Private Extension System

According to Van den Ban and Hawkins (1998)-

- Privatization may hamper free flow of information. Government extension agents often contribute their knowledge to publish in farm magazine or in a radio programmed either without asking for payment or for only a small honorarium.
- With privatization they may charge for their services in order to earn money for their organization.
- Farmers may be less interested to disseminate technologies to other farmers what they have learnt from private extension.
- Only commercial farmers will be benefited through privatization and subsistence farmers will seldom be able to pay this fee.



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Models/Elements of Private Extension System

1. Objectives:

- (a). Profit maximization
- (b). Increasing the efficiency

2. Target group:

- (a). Only those who can pay
- (b). More committed
- (c). actively participating

3. Mandates:

- (a). Technologies- location specific, demand driven, timely & profitable
- (b). Input supply- quality, timely and adequate

4. Extension Personal:

- (a) Accountable to farmers
- (b) Highly motivated
- (c) Highly professional



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Extension Method

- a) Advisory in nature through personal communication
- b) Participatory approach
- c) Less use of group and mass contact
 - Private consultants mostly adopt personal contact methods, because group approach will reduce their chances of getting consultancy fee.



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Strategies for privatizing extension

Following Saravanan and Shivalinge Gowda (2000), these are:

- Commercialization of extension services.
- Introducing contract extension system.
- Introducing share cropping system.
- Giving partnership rights and more responsibility to private sector and NGOs.
- Gradual withdrawal of public extension system.
- Creating and strengthening farmers groups and cooperatives.



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Services Rendered by Private Extension Agencies

- 1. Information:** Information relating to availability of good quality seeds and planting material, sources of credit, cultivation of crops including package of practice, market intelligence, prices of commodities etc.
- 2. Input supply:** Private advisory services can provide a variety of means of production, including seeds, fertilizers, pesticides and training.
- 3. Infrastructure:** Through private consulting services, we can provide farmers with various infrastructure facilities such as transportation, refrigeration and processing.



4. **Technical services:** A private consulting company arranges soil inspection, pest diagnosis, and fertilizer inspection.
5. **Marketing Services:** Private providers of advisory services may act as agents for the sale.
6. **Enterprises:** Contract farming, seed production, marketing, organic farming.
7. **Consultancy:** Planning and implementation of projects for individual farmers or groups or organizations



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Organizations providing Private Extension Service in India

- Agricultural farms
- KVKs
- NGO (Non-Government Organization)
- Farmers association
- Producer's cooperatives



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Conclusion

Privatization of agricultural advisory systems should not be seen as a substitute for public advisory systems. Private advisory systems must play a complementary role in ensuring that all sectors of agriculture receive the right support when they need it.