

Strategies For Increased Private Sector Participation In Funding Agricultural Extension Services In Nigeria: The Professionals Reactions In Enugu State

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ABSTRACT

This study identified various strategies for increased private sector participation in funding agricultural extension service for more efficiency in a democratic and deregulated Nigerian economy. It paid particular attention to the reactions of extension professionals in Enugu state agricultural development programme towards the policy issue. A structured questionnaire was used to obtain information from 117 extension professionals made up of 62 frontline extension workers and 55 extension administrators. Data were analyzed using percentage distribution, mean scores and standard deviation. Findings indicate that clear definition of the form and broad extent of increased private sector participation adopted ($\bar{x} = 3.62$); design of employment protection schemes to guard against job insecurity ($\bar{x} = 3.62$); and mounting programmes to promote public awareness on the value of increased private sector participation in agricultural extension service ($\bar{x} = 3.56$) are the major strategies identified to achieve success in the programme. Areas in agricultural extension services with high scope of coverage by the professionals include: adaptive research (96.6%), food crop extension (95.7%) and small ruminant extension (94.9%), while snail extension (41.9%) and large ruminant extension (15.4%) have the lowest coverage. Also, the professionals recommended that if increased private sector participation is to be achieved in agricultural extension, the priority areas should be in cash crop extension (72.7%), input procurement and distribution (68.4%) and large ruminant extension (64.1%). They opposed vehemently the involvement of private sectors in adaptive research (24.8%) and extension personnel management (32.5%). Finally the study recommends that if the different strategies identified for increased private sector participation in funding extension service and the priority areas in agriculture already identified by the professionals are adopted, the programme objective, which has been the target of the democratized Nigerian government, will be achieved.

1.0 INTRODUCTION

The situation in Nigeria in the present circumstances is characterized by declining revenue and escalating demand for effective and affordable social services. Consequently, the general public has stepped up its yearnings for state-owned enterprises to become more efficient. Such enterprises including the public extension system suffer from fundamental problems of defective capital structure, excessive bureaucratic control or intervention, inappropriate technology, poor delivery systems, gross incompetence and mismanagement, blatant corruption and crippling complacency which monopoly engenders (National Council on Privatization (NCP), 2001). Inevitably, these shortcomings take a heavy toll on the national economy. There are over one thousand state-owned enterprises in Nigeria (NCP, 2001). Many of these enterprises gulped billions of Naira without yielding much position results in terms of customer's satisfaction and profitability too. The prolonged poor economic performances, along with high inflation and high population increases have led to an overall pressure on the nation's financial resources. Competition for resources from the national budget among the sectors (including agriculture) is getting fiercer than in the past, with the government responding by effecting cutbacks in social expenditures in order to reduce the widening gap between policy targets and the available financial resources. While government bureaucracy has been an integral part of the overall agricultural development in Nigeria since independence, the poor economic environment has increasingly made it difficult for government to meet the stated targets in the agricultural sector. Every aspect of the agricultural industry requires one form of extension service or the other. It may be erroneous to assume that the various public extension and rural development agencies in Nigeria are performing to capacity.

From available evidence, the performances of Nigeria's rural development and public extension agencies have not been particularly satisfactory (Onu, 1988). Studies of the organizational structure and management of Nigerian rural development and extension services have identified a wide range of problems, which reduced efficiency. According to Madukwe and Obibuaku (1991), extension services under parastatal were subjected to political and administrative abuses. As most services are part of the national bureaucracy, they suffer from internal problems typical of government organizations. These include lack of entrepreneurial ability, their lethargic attitudes towards decision-making, and their inability to respond to incoming information (Onu and Anyanwu, 1990). Public extension has marginalized some agricultural operators whose list will include small and medium scale food and fiber processors; commercial crop and livestock operators; small and medium scale fabricators and manufacturers of farm tools and equipment; new entrants into agricultural enterprises requiring information and guidance and marketers of agricultural products.

The ineffectiveness and inefficiencies, which characterize the public extension service, have given rise to the wide call for a private sector-driven extension service. Kuitenbrower (1981) observed that frustration with the inability of public extension services to reform themselves has led to radical proposals to "give" extension to the rural populace through participatory-oriented strategies. Privatization or increased private sector participation in state owned enterprises is part of a process of structural adjustment, with the overall objective of achieving economic efficiency. Since it involves redefining the role of the state, it is inherently a political process, although it has to be carried out as an economic exercise. The legal framework establishing the privatization of public enterprises in Nigeria is the Public Enterprises Decree of 1999, which commenced its operation in the year 2000. Privatization objectives center on the benefits to be gained from redefining the roles of the private and public sectors in order to enhance the productive power of the economy. A common theme is the greater vitality of the private sector enterprise, and the view that resources will be used more productively if they are transferred to the private sector and subject to the incentives and disciplines of market forces. Since privatization implies a fundamental change in the role of the state in relation to the promotion of industrialization, the creation of employment and the provision of infrastructure or social services, it will affect many sections of the society, as well as the actors most directly involved. All groups affected will have to be convinced of the value of privatization if a broad based consensus is to be achieved. If privatization takes place under unfavorable conditions, with adverse consequences, including unsuccessful sales or failed privatized enterprises, then its very credibility will be affected.

Given the prospects of increased private sector participation in funding agricultural extension service, one may then ask, what strategies can be adopted to effectively achieve this in Nigeria? What are the priority areas in agriculture recommended for increased private sector participation? And finally, what policy implications that can be drawn from the implementation of this laudable programme?. The specific objectives of this study therefore were to:

1. ascertain the scope of coverage in agricultural extension services by the professionals;
2. identify priority areas in agricultural extension services recommended for increased private sector participation;
3. examine the strategies for achieving increased private sector participation in agricultural extension services;
4. draw implications for extension policy and practice.

2.0 METHODOLOGY

Area of study

Enugu State of Nigeria was purposively selected because of its proximity and availability of experienced extension professionals and being the seat of government where agricultural extension had existed for more than 40 years. The state is made of three agricultural zones namely – Awgu, Enugu, and Nsukka zones.

Population and Sample

The extension professionals in Enugu State agricultural Development Programme (ENADEP) comprised 40 Extension Agents (EAs), 22 Block Extension Agents (BEAs), 23 Block Extension Supervisors (BESs), 13 Subject Matter Specialists (SMSs), three Zonal Extension Officers (ZEOs), and three Zonal Managers (ZMs). Others include 23 Component Heads (CHs), five Directors (DIRs), and a Programme Manager (PM). From this population, all the EAs, BEAs, BESs, SMSs, ZEOs and ZMs were selected for the study while three DIRs of the core sub-programmes - Technical, Extension and Rural Institution Development (RID) and their corresponding nine components made up of four Technical CH, three Extension CH and two RID CH were also selected. The three core sub-programmes were selected because of their relatedness to extension services. In all, a total of 117 extension professionals made up of 62 frontline extension workers and 55 extension administrators were used for the study.

Data Collection procedures / Measurement of Variables

A structured questionnaire was used to obtain information from the 117 extension professionals made up of 62 frontline extension workers and 55 extension administrators. Information was sought on the priority areas in agricultural extension service for increased private sector participation. The respondents were asked to indicate among areas in agricultural extension listed, the ones currently covered by ENADEP and those considered of priority for private sector participation. A four-point Like type scale was developed and used to elicit information from the respondents on the strategies for increased private sector participation in funding agricultural extension services. These items were obtained from the major strategies for increasing private sector participation already identified by the National council on privatization and commercialization (NCP 2001) and United Nations (1995).

The response options and values assigned were: to a great extent (4), to some extent (3), to little extent (2), to no extent (1). The minimum and maximum scores for respondents were 11 ($\bar{x} = 1.00$) and 44 ($\bar{x} = 4.00$) respectively. A high mean score ($\bar{x} \geq 2.50$) indicates a success factor while a low mean score ($\bar{x} < 2.50$) shows an unfavorable item in increasing private sector participation in funding agricultural extension service.

Data Analysis

Percentage distribution was employed to ascertain the scope of coverage in agricultural extension service by the professionals and also the priority areas in agricultural extension service recommended for increased private sector participation. In order to examine the strategies for achieving increased private sector participation in agricultural extension service, mean score statistic and standard deviation were utilized.

3.0 RESULTS AND DISCUSSION

Areas in agriculture currently cover by Enugu State Agricultural Development Programme (ENADEP)

Data in Table 1 show that adaptive research (96.6%), food crop extension (95.7%) and small ruminant extension (94.9%) in descending order of importance, received the highest coverage among the areas in agriculture currently covered by ENADEP. Adaptive research in the form of On-farm adaptive research (OFAR) and Small Plot Adoption Technique (SPAT) have been used extensively by the ADPs in disseminating research findings to the information – starved farmers. An adaptive research trial is a linkage mechanism between research, extension and farmers aimed at achieving field and farmer orientation. In the ADPs, adaptive research is implemented at farmers field, designed in collaboration with the farmers, assisted by research and extension and largely managed by the farmer. On-farm adaptive research however represents a viable agricultural technology generation technique, while the transfer of production recommendations to farmers by the EAs is usually through the establishment of SPATs (ENADEP Focus, 2001). In the year 2000, a total of 1,889 such SPATs were established by the 56 EAs, 16 BEAs, and 19

BESs in the Enugu State ADP (ENADEP Focus, 2001). These SPATs were on Yam Minisett Technique, Yam/maize/cassava/Eguisi alternate row, upland rice, line planting in swamp rice, dry season vegetable gardening, rabbitry, sheep and goat rearing in slatted platforms, homestead fish pond, use of vertiver grass in erosion control, bee-keeping for honey production, banana/plantain/cocoyam intercrop, and alley cropping which were covered in that year by ENADEP.

Food crop extension were in the areas of the production of staple food crops such as yam, maize, cassava, egusi, soybean, cowpea, rice and vegetables. ENADEP Focus (2001) noted that the cropped areas, production and yield of major food crops grown in the state were on the increase since 1999. This, as they noted, was largely associated with the distribution of FADAMA water pumps to farmers in the state. In a similar study, Dimelu and Madukwe (2001) reported that production of arable crops was perceived as a priority (93.1%) programme area of ENADEP. The production recommendation under small ruminant extension was the rearing of sheep and goat in raised slatted platforms.

Other areas that had high coverage by the professionals include: agro forestry extension (92.3%), rabbitry extension (91.5%), beekeeping extension (87.2%), fishery extension (83.3%), processing and storage (83.8%), piggery extension (79.5%), poultry extension (77.8%), nursery management (76.9%), extension personnel management (60.7%), cash crop extension (55.6%), input distribution (53.0%), and information on credit (51.3%).

Table 1: Percentage distribution of respondents according to the areas in agriculture currently covered by ENADEP in descending order of importance (n = 117).

	Areas in Agriculture	Percentage*
1	Adaptive research	96.6
2	Food crop extension	95.7
3	Small ruminant extension	94.9
4	Agro forestry extension	92.3
5	Rabbitry extension	91.5
6	Beekeeping extension	87.2
7	Fishery extension	83.8
8	Processing and storage	83.8
9	Piggery extension	79.5
10	Poultry extension	77.8
11	Nursery management	76.9
12	Extension personnel management	60.7
13	Cash crop extension	55.6
14	Input distribution	53.0
15	Information on credit	51.3
16	Marketing and distribution of products	48.7
17	Extension teaching aids	47.9
18	Snail extension	41.9
19	Large ruminant extension	15.4

*Multiple responses

On the other hand areas in agriculture that were poorly covered by the professionals include: marketing and distribution of agricultural products (48.7%), extension teaching aids (47.9%), snail extension (41.9%) and large ruminant extension (15.4%). The low coverage in marketing and distribution of agricultural products re-emphasize the need for extension service to concentrate only on the dissemination of innovations to farmers (educational role of extension). ENADEP rarely used the extension teaching aids such as the electronic and print media in disseminating research findings. Some technical, socioeconomic and cultural problems might have affected the adoption of snail production and hence its low coverage by the professionals, while

problems of initial capital investment, slow rate of economic turn over, pest and diseases problems (especially tsetse fly); and lack of enough forage to feed large ruminants during the dry season affected its production and consequently, their coverage by ENADEP was very low. Farmers will therefore continue to benefit more from the agricultural technologies where the extension professionals give greater attention and coverage. Conversely, farmers who have special interest in areas where there are low coverage by the professionals may not receive adequate and prompt information on them. This will invariably affect their output. Private sectors could therefore utilize this opportunity to know which area in agriculture to invest their resources.

Priority Areas in agricultural extension for increased private sector participation

Entries in Table 2 reveal that cash crop extension (72.7%), input distribution (68.4%) and large ruminant extension (64.1%) were the priority areas highly recommended by the professionals to achieve increased private sector participation in funding agricultural extension services. Cash crop extension in the study area included extension services in Oil palm, Coconut and Cashew production. This finding is in agreement with the previous study by Bagchee (1993), which noted that if privatization of extension service is contemplated, it should start from the cash crops. The professionals also noted that inputs are time-bound and need to be handled by a more efficient private body that will ensure timeliness in its procurement and distribution so as to serve the purpose for which it is meant. Inputs range from seeds, seedlings, pesticides, herbicides, fertilizers etc. Their reason may be to achieve efficiency and effectiveness in the procurement and distribution of essential agricultural inputs, which have been solely handled and mismanaged by the public agencies. Also the respondents believe that private agencies can better handle the large ruminant extension services. The commercial livestock operators are always ready to pay for whatever services that is rendered to them in order to make profits. The private agencies will therefore be better disposed to source for these commercial livestock (large ruminants) operators and render the services required. In a similar study, Dimelu and Madukwe (2001) equally noted that the public extension service couldn't provide the required services for the commercial livestock operators.

Table 2: Percentage distribution of respondents according to the priority areas in agriculture for increased private sector participation in descending order of importance (n = 117).

	Areas in agriculture	Percentage *
1	Cash crop extension	72.7
2	Input distribution	68.4
3	Large ruminant extension	64.1
4	Marketing and distribution of products	62.4
5	Poultry extension	53.9
6	Processing and storage	53.9
7	Information on credit	52.1
8	Piggery extension	48.7
9	Fishery extension	47.9
10	Extension teaching aids	47.9
11	Snail extension	47.0
12	Beekeeping extension	46.2
13	Food crop extension	42.7
14	Nursery management	41.0
15	Agro forestry extension	41.0
16	Small ruminant extension	39.3
17	Rabbitry extension	35.0
18	Extension personnel management	32.5
19	Adaptive research	24.8

*Multiple responses

Other priority areas recommended for increased private sector participation were; marketing and distribution of agricultural products (62.4%), poultry extension (53.9%), processing and storage (53.0%), and information on credit (52.1%).

The extension professionals did not recommend the remaining areas for private sector involvement. They include, piggery extension (48.7%), fishery extension (47.9%), extension teaching aid (47.9%), snail extension (47.0%), beekeeping extension (46.2%), food crop extension (42.7%), nursery management (41.0%), agro forestry extension (41.0%), small ruminant extension (39.3%), rabbitry extension (35.0%), extension personnel management (32.5%), and adaptive research (24.8%). One will not be surprised to observe that adaptive research received the least recommendation for private sector participation because of the sensitive nature and crucial position of adaptive research in the development of agriculture in Nigeria. The areas in agriculture where the professionals have recommended for increased private sector participation provide good footing for a successful private sector investment unlike other areas that were not recommended.

Strategies for increased private sector participation (PSP) in agricultural extension services

Data in Table 3 show that clear definition of the form and broad extent of increased private sector participation adopted ($\bar{x} = 3.62$); design of employment protection schemes to guard against job insecurity ($\bar{x} = 3.62$); mounting programmes to promote public awareness on the value of increased private sector participation to the sector ($\bar{x} = 3.56$); provision of adequate regulations and control by government to maintain quality and standard that is expected ($\bar{x} = 3.43$) and establishment of mechanisms or procedures for monitoring the progress and results of the programme ($\bar{x} = 3.38$) were the most effective strategies identified by the professionals for achieving increased private sector participation in funding agricultural extension service.

Table 3: Mean scores and standard deviations of the strategies for achieving increased private sector participation in funding agricultural extension service

Success factors	Means Scores (\bar{x})	Standard deviation
1 Clear definition of the form and broad extent of PSP adopted	3.62	0.71
2 Design of employment protection schemes to guard against job insecurity	3.62	0.69
3 Mounting a programme to promote public awareness on the value of PSP to the sector	3.56	0.70
4 Provision of adequate regulations and control by government to maintain quality and standard that is expected	3.43	0.82
5 Establishing mechanisms or procedures for monitoring and evaluating the progress and results of PSP	3.38	0.85
6 Clear statement of the political, economic and social objectives to be achieved	3.36	0.85
7 Ensuring public transparency, accountability and competitive selection procedures in the PSP process	3.31	0.97
8 Addressing the concerns of consumers through appropriate regulation of privatized monopolies and machinery to handle consumer complaints	3.30	0.80
9 Establishment of enabling legislation	3.29	0.87
Promoting employee participation in the privatization process through the allocation of a proportion of corporate shares, either free or at a discount, to employees	3.29	0.92
Adequate sectoral allocation	3.10	0.95
Cut off point	2.50	
Grand mean	3.38	

A clear definition of the form and broad extent of increased private sector participation adopted will serve as a formidable guide as it gives direction and equally provides the scope of coverage and terms of reference for the programme. This is very important to avoid derailing from the already set objectives. According to Rendinilli and Lacono (1996), a framework for planning and implementing privatization policy requires clarity on the definition of the forms, scope and pace of privatization choice, organizational structure for management, identifying macro policy and institutional reforms necessary to facilitate the programme. The criteria for choice of privatization option include; concern for efficiency, effectiveness, equity, reliability, quality, accountability, empowerment, and legitimacy.

Also design of employment protection schemes to guard against job insecurity will undoubtedly boost wide acceptance of the programme. The greatest threat against the involvement of private sectors in public enterprises is the fear of job insecurity. United Nations (1995) noted that the fear of unemployment as a result of restructuring and cost-containment measures in public enterprises to be privatized could create a political barrier for the private sector participation programme. This is particularly true in countries where the absorptive capacity of the labour market is low due to high levels of unemployment or low rates of growth in employment opportunities; where private enterprise development has been weak and the public sector has been the principal provider and guarantor of wage employment; and where over-staffing in public enterprises has served to compensate for a weak private sector and to hide inadequate social safety nets. Government therefore, has incorporated social provisions and socially – related support measures into national privatization programmes. The main areas and issues covered are; employment protection and the safeguarding of employee rights and benefits, and support measures for retrenched labour. Others include: preferential allocation of shares to employees and small investors, promotion of labour mobility and of entrepreneurship, and, the use of privatization proceeds for socially related measures (United Nations, 1995). Privatization programmes need to be preceded by mounting comprehensive campaigns to promote public awareness on its values. Information and the establishment of communication channels are important ingredients of a communication strategy for increased private sector participation. If well designed and well implemented, good public awareness programme can promote broad participation, avoid or diminish public or group apprehension and help to overcome resistance to the programme. Good information and communication techniques can build support for and instill confidence in the process through transparency, the spread of information and enhancement of public understanding of the objectives and awareness of the potential benefits. To this effect, NCP has put in place communication machinery, which consists of national communication consultants to cover all the six geopolitical zones (northwest, north-central, northeast, southwest, southeast and south-south) in the country. The need for the provision of adequate regulations and control by government to maintain quality and standard that is expected in a private sector-led economy cannot be over-emphasized. Indeed, one of the crucial components of a privatization programme should be the creation of a regulatory framework that would promote contestable markets and protect public interest. An effective and efficient regulations or policies including competitive policy towards the sector and an agency or mechanisms for monitoring and enforcing compliance with the rules or policies needs to be put in place. According to Odii (2001), adequate regulatory framework will prevent a public monopoly from becoming a private monopoly. It can steer privatized enterprises to deliver quality and competitive goods. United Nations (1995), identified some indicators for monitoring and evaluating the progress of a privatized enterprise. These include, the quality of services provided; profitability of the privatized enterprise; employment laws; employment conditions of employees of privatized firms; employee share ownership; the policy environment, including regulation; private sector development; capital market development; and domestic and foreign investment.

Other strategies identified by the professionals as effective strategies for increased private sector participation in agricultural extension service include: clear statement of the political, economic and social objectives to be achieved ($\bar{X} = 3.36$); ensuring public transparency, accountability and competitive selection procedures in the process ($\bar{X} = 3.31$); addressing the concerns of consumers through appropriate regulation of privatized monopolies and machinery to handle consumer complaints ($\bar{X} = 3.30$); establishment of

enabling legislation ($\bar{X} = 3.29$); promoting employee participation in the privatization process through the allocation of a proportion of corporate shares, either free or at a discount to employees ($\bar{X} = 3.29$) and adequate sectoral allocation specifically for agricultural extension service ($\bar{X} = 3.10$). These findings show that a multi-dimensional approach as identified above is required to achieve success in increasing private sector participation in agricultural extension service in Nigeria.

4.0 CONCLUSIONS AND RECOMMENDATIONS

This study examined the reactions of extension professionals in Enugu State towards the strategies for achieving increased private sector participation in funding agricultural extension services. It found out that adaptive research had the highest extension coverage by ENADEP depicting that technology generation, dissemination and utilization systems play the ultimate role in the agricultural development of any country. The choice of cash crop extension and input procurement and distribution as the most priority areas for achieving private sector participation by the professionals, confirmed the earlier recommendation by Bagchee (1993) that if the private sectors are to be involved in agricultural extension services, it should start with cash crops and input procurement and distribution. The study also identified clear definition of the form and broad extent of increased private sector participation adopted and the design of employment protection schemes to guard against job insecurity as the most effective strategies for achieving private sector participation in agricultural extension service.

On the basis of the findings of this study, it is therefore recommended that private sector participation can be achieved in agricultural extension services especially in those areas that have been tipped by the professionals, for example cash crop extension, input procurement and distribution and large ruminant extension among others. Similarly, the strategies identified by the professionals, should provide further guide for policy makers, extension administrators, government and especially NCP/BPE on how to achieve increased private sector participation in funding agricultural extension services in Nigeria.

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