

## **Influencing Factors on Privatization of Agricultural Extension in Iran Perceived by Extension Experts**

<sup>1</sup>Farhad Lashgarara and <sup>2</sup>Seyyed Mahmood Hosseini

<sup>1</sup>Science and Research Branch, Islamic Azad University, Tehran, Iran

<sup>2</sup>Tehran University, Iran

**Abstract:** In recent decades, public extension because of several problems has been extensively criticized. Privatization of extension is one of the most important and successful strategies for covering and minimizing these problems which arranged by different countries. In Iran, according to the economical-social programs and policies, commercial farmers' various needs, structural implications Ministry of Agriculture, insufficiency and ineffectiveness of the public extensional activities and Iran's join up to the World Trade Organization (WTO), privatization of agricultural extension should be studied based on the view of the extension experts in this period of time. This study is aimed to identify effective factors on privatization of agricultural extension. The methodology of research is survey. Statistical population is 120 experts of agricultural ministry. Questionnaire was designed as the main tool of the study. According to results, most of the experts (45 percent) had a fairly desirable view to the privatization of agricultural extension. Factor analysis also showed that six factors Socio-Economic, Financial-Structural, Participation, Commercialization of Information, Mechanism of information transfer and Personal characteristics have explained about 78 percent of agricultural extension privatization.

**Key words:** Public extension • Private extension • Privatization of agricultural extension

### **INTRODUCTION**

In spite of the importance of agriculture sector in employment, agricultural extension services which are yet carried out by the public sector, because of their disability to perform the specified functions in addition to the lack of the cost efficacy and efficiency, has been extensively criticized. This criticizes make substantial changes such as structural adjustment, decentralization and privatization [1]. So, public extension, in 80s-90s, in the industrial and developing countries, has been extensively criticized because of the issues related to the costs and budget allocating, system's complexity and massiveness, organizational and managerial limitations, weak relationship between the extension and extension workers, lack of supportive services, slow decision making and inability to make quick responses to external evolutions, lack of desirable responding to the clientele needs, weak performance, inefficiency, lack of efficacy, lack of clear objectives, weakness in covering targets and having no effective program in the rural societies, too [2].

Now, the question is that can we turn the extension into a more effective force by changing in its structure and making a new redirection? Since the early 1990s, there has been a large worldwide decrease tendency of the public involvement in the financing and management of agricultural extension services. There are diverse strategies for the withdrawal of the state, from decentralization of public services to full commercialization or privatization. The reasons driving toward these changes are not only financial. The privatization of extension is also expected to increase the effectiveness and the efficiency of these services, as they would be more demand-driven [3].

Privatization of extension is one of the most important and successful strategies arranged by countries such as Germany, Netherlands, France, England, Denmark, Sweden, Chile, India and others to cover their governmental extensions' weaknesses and lacks.

Privatization is emerging as an important factor to cut down government expenses, to get rid of embarrassment to public extension system to increase in efficiency,

influence and involve farmers in extension activity and to increase competition among different extension service providers for quality services. Since independence till date public extension workers are not able to perform as effective diffusion agents and because of which modern technologies are not readily available for the use of the farmers [4].

Privatization of extension, not necessarily reassigning the duties and roles of the government to the private sector, on the contrary is a more participation of private sector. In fact, a wide range of activities such as costs retrieval, commercialization and alternative techniques were carried out for improving agricultural extension [5].

The term Privatization has been used in three ways:

- Reliance of private sector institutions to fulfill peoples need, (ii) Reduction of the role of government and consequently increase the role of private sectors in an activity or in the ownership of assets, (iii) Transfer of government enterprises or assets to private sectors [4].

According to Hanchinal *et al.* [6], privatization of extension, refers to services - provided by extension workers in the private organization for farmers supposed to pay the services and is also considered as a complement or alternative for the governmental extension services [7].

Each country has carried the privatization of extension in according to their own specific conditions; for example, Netherlands because of the financial/structural problems and Sweden, Denmark and Finland because of the increase of educational level, professional skills and their farmer's competence power in the market have carried the privatization of extension [8]. Studies related to the current issue are pointed out below: Findings of Peyrov-Shabani [9] indicated that there is a significant and positive relationship between management flexibility, educational facilities, satisfaction from agricultural facilities, rate of incomes and working experiences with agricultural extension privatization.

Farokhi [7] believed that educational level of experts, managerial system and expert's participation determine extension privatization.

Beglarian [10] found that there is a positive relationship between record of service and expert's attitude to privatization.

Mahmoodi Karamjavan [11] in his study found that the most important factor for privatization is knowledge

and experience of extension agents of private extension. Results of Bahrami [12] showed that expert's educational level and working experience had a positive impact on their attitude.

Shivalinge Gowda & Saravanan [13] in their study in India found that most of the experts have a positive attitude toward privatization. Desirable attitude of these experts mainly related to efficiency development of extension system and meeting needs of farmers.

Ajieh *et al.* [14] in their study about constraints to privatization and commercialization of agricultural extension services found that the constraints and their mean perception scores included: fear of job insecurity among extension staff, lack of farmers' interest in extension programme and high risk and uncertainty in agriculture.

Riaz [15] in his study examined about role of the private sector in agricultural extension in Pakistan found that the farmers mention that in most cases the advisory services are provided by the private sector while public extension service is rarely available.

Findings of Jiyawan *et al.* [4] showed that the majority of the farmers perceived constraints in privatization of agricultural extension services:

- Private extension service provider (PESP) will cheat the farmers.
- Private extension service provider will give the information to those who provide money.
- Private extension service provider will exploit the farmers.

In Iran, according to the economical-social programs and policies, commercial farmers' various needs, structural implications Ministry of Agriculture, insufficiency and ineffectiveness of the public extensional activities and Iran's join up to the World Trade Organization (WTO), privatization of agricultural extension should be studied based on the view of the extension experts in this period of time. This study is aimed to identify effective factors on privatization of agricultural extension.

## **MATERIALS AND METHODS**

This is applied and non-experimental (descriptive) research. The methodology of research is survey. Statistical population is 120 experts of agricultural ministry. Questionnaire was designed as the main tool of the study, all questions except the personal characteristics of experts were written as Likert's five-

point scale. For measuring study tool's validity the questionnaire was given to some professors and experts associated with the subject in the ministry of agriculture and a primary-test by completing 30 questionnaires and for measuring reliability, the questionnaire was taken and the Cronbach alpha coefficient was 89 percent. The data were analyzed by SPSS 13. For analysis the data, factor technique was used.

## RESULTS

Based on the results of this study, 74.4% of respondents and 70% of respondents were men and MS degrees, in respectively. The average of working experience of the experts was 12.62 years. According to Table 1, most of the experts (45 percent) had a fairly desirable view to the privatization of agricultural extension, about 10% fully desirable and 16% had a fully undesirable view to privatization of agricultural extension.

Factor analysis was used to reduce the number of variables to fewer factors and determine the share of each factor in the experts' view about the privatization of agricultural extension. Calculations showed that the internal consistency of data was suitable ( $KMO=0.822$ ) and Bartlett statistic was significant at a 1% level. Regarding the Kaiser criterion, six factors with a more than one Eigenvalue was extracted. Study's variables were divided into the six factors after the factor rotation by Varimax method (Table 2).

**First Factor:** Seven constituting variables of the first factor in order of factor loading are: commercialization of agriculture (X20), structural adjustment policy (X18), globalization (X15), professional maturation of the agricultural societies (X27), ICT (X25), employment (X5) and sustainable development (X26). According to the nature of effective variables which creates the first factor, this factor was named the Social – Economical factor.

In regarding the highest eigenvalue of this factor (eigenvalue 5.5 and variance percent 22.92) Social-Economical factor is the most important influencing factor on privatization of agricultural extension.

**Second Factor:** Five constituting variables of the second factor in order of factor loading are:

Limited financial resources (X6), unsuitability of the costs and public extension investments(X23), covering the clientele (X7), massive responsibilities of the public extension workers (X21) and the complexity of

Table 1: The view of experts to privatization of agricultural extension

Attitude	Frequency	Percent	Cumulative percent
Fully undesirable	20	16	16
Fairly undesirable	19	15.2	31.2
Moderate	18	14.4	45.6
Fairly desirable	56	44.8	90.4
Fully desirable	12	9.6	100

Mode: Fairly desirable

Table 2: Extracted factors with Eigenvalue after rotation

Factor	Eigenvalue	Variance percent	Cumulative percent
First	5.5	22.92	22.92
Second	3.9	16.25	39.17
Third	3.8	15.83	55
Fourth	2.2	9.17	64.17
Fifth	1.58	6.58	70.75
Sixth	1.5	6.25	77

According to table 2, the constituting variables of each factor include:

the public extension structure (X13). According to the nature of the mentioned variables, this factor was named Financial – Structural Limitations factor. This factor explained 16.25 percent of the privatization.

**Third Factor:** Five constituting variables of the third factor in order of factor loading are:

Farmers' nonparticipation in conducting the extension programs (X8), supply-oriented of the public extension services (X11), lack of appropriateness between extension programs and farmers needs (X9), the necessity of involving disadvantages groups in public extension services (X16) and the low quality of the services delivered (X22). According to the constituting variables, this factor was named Participation factor which explained about 16 percent of the privatization.

**Fourth Factor:** Three constituting variables of the fourth factor in order of factor loading are:

Privatization of agricultural information (X24), growth of requests for advisory services (X14) and legitimating of the market economy and private sector (X17). According to the features of theses variables which created this factor, it was named Commercialization of information factor which determined 9.17 percent of the privatization.

**Fifth Factor:** Two constituting variables of the fifth factor in order of factor loading are:

Failure of public extension in transferring appropriate technologies (X10) and the necessity of rapid transfer of research findings to the farmers (X19). According to these

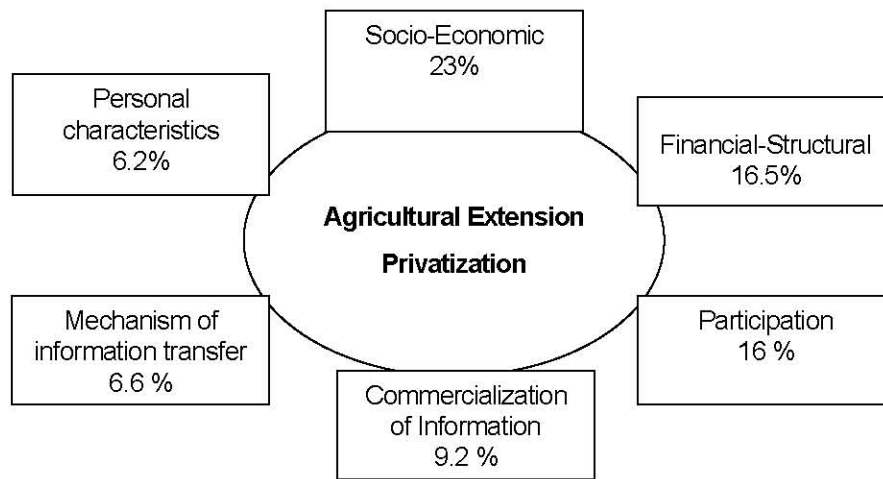


Fig 1: Determining factors of agricultural extension privatization

variables features, the fifth factor was named Mechanism of information transfer factor. This factor explained 6.58 percent of the privatization.

**Sixth Factor:** Two constituting variables of the sixth factor in order of factor loading are:

Educational level (X2) and extension activities experience of the experts (X3). According to these variables features, the sixth factor was named Personal characteristics. The last factor explained 6.25 percent of the privatization.

Totally, as it is illustrated in Fig. 1, the six mentioned factors explained about 78 percent of agricultural extension privatization and the other 22 percent was related to factors which were not predicted in this study.

## DISCUSSION

This study which was aimed to identify explaining factors of privatization of agriculture extension showed that the most of the experts' views about the privatization was fairly desirable. Shivalinge Gowda and Saravanan [16] in their study in India approved this attitude. The finding also showed that the six *Socio-economical* [(Shivalinge Gowda & Saravanan [16]; Farokhi [7]), *Financial/structural limitations* [[14]; Jiyawan *et al.* [4]; Riaz [15]], *Participation* [7], *commercialization of information, information transfer mechanism* and personal characteristics [Farokhi [7]; Bahrami [12]; Mahmoodi Karamjavan [11] factors explained about 78 percent of the privatization. So, the followings are suggested.

- In order to a more successful conducting privatization of agriculture extension, the agricultural commercialization should be more considered in the country. Agriculture commercialization is a transition from subsistence to commercial agriculture. Actually, the progress of commercial agriculture depends on a professional and efficient extension system which, according to this study, the private extension can be a good option for the commercial farmers.
- In regarding the limited financial resources, public extension should provide the necessary contexts for more participation private. Experiences of all countries which have carried out the privatization of extension confirm this matter. Having deficiencies and chronic limitations, the public extension can not reach its objectives.
- Considering that the clients (farmers) pay for the private extensional services, their requirements should be more valued. Valuing the farmers' ideas is one of the obvious differences between private and public extensional services.
- Private sector in technologies transferring should be more involved. Methods' experiences and traditional strategies of traditional strategies such as transfer of technology (TOT) and training and visit (T&V) which were designed and carried out in the public extension system, could not transfer appropriate technologies to the farmers but, the private sector because of limited range of clients and its commitment for problems solving and meeting the legal requirements of farmers, the private extension is more capable to identify the farmers' needs and transfer an appropriate technology.

## REFERENCES

1. Rivera, M., 1993. Impacts of Extension Privatization, 31(3).
2. Rivera, W.M., W. Zijp and G. Alex, 2000. Contacting for Extension. *Journal of Extension*, 32(2): 22-24. Available on <http://www.worldbank.org>
3. Labarthe, P. and I.M. Moumouni, 2008. Privatization of Extension and Collective Procedures for the Production of Knowledge. Lessons from a comparison between South and North. 8th European IFSA Symposium, 6 - 10 July 2008, Clermont-Ferrand (France)
4. Jiyawan, R., B. Jirli and M. Singh, 2009. Farmers' View on Privatization of Agricultural Extension Services. *Indian Res. J. Ext. Edu.* 9(3), September, 2009.
5. Rivera, W.M., 2001. Agricultural Extension Worldwide? Reforms and Prospects. paper prepared for conferences on " Knowledge Generation and Transfer: Implication for Agricultural in the 21 century, university of California, Berkeley, June. 1998.
6. Hanchinal, S.N., B. Sundaraswamy and M.R. Ansari, 2001. Attitudes and Preferences of Extension Personnel towards Privatization of Extension Services. Available on: <http://www.manage.gov.in/pvtext/pvext/htm>
7. Farokhi, S., 2002. Attitudes of Experts and Farmers of Ilam Province to rivatization of Agricultural Extension. MSc Thesis of Tarbiat Modares.
8. Gheble, M., 1998. Investigation on Contexts of Privatization of Agricultural Extension Perceived by Experts. Msc Thesis of Islamic Azad University.
9. Peyrov-Shabani, M., 1998. Feasibility of Agricultural Extension Privatization as Perceived by Farmers and Extension Agents in Shahrar township. MSc Thesis of Islamic Azad University.
10. Beglarian, M., 2001. Investigation on Attitude Managers of Agricultural Organizations to Solutions of Agricultural Extension Privatization in Iran. MSc Thesis of Tarbiat Modares.
11. Mahmoodi Karamjavan, J., 2004. A Study on Contexts and Strategies of Privatization of Agricultural Extension in Azarbayegan Province from Perception of Experts and Farmers. Ms.C thesis of Islamic Azad University.
12. Bahrani, A., 2003. Investigation on Performance of Private Extension Companies as Perceived by Rural People and Comparison to Public Extension. MSc Thesis of Tarbiat Modares.
13. Saravanan, R., 2001. Privatization of Agricultural Extension. *Journal of Extension*, 34(1): 12-13. Available on <http://www.manage.gov.in/pvtext>
14. Ajieh P.C, A.E. Agwu and A.C. Anyanwu, 2008. Constraints to Privatization and Commercialization of Agricultural Extension Services as Perceived by Extension Professionals and Farmers. *African J. Agri. Res.*, 3(5): 343-347.
15. Riaz, M., 2010. The Role of the Private Sector in Agricultural Extension in Pakistan. *Rural Development News* 1/2010.
16. Shivalinge Gowda N.S and R. Saravanan, 2001. Attitude and Preference of Agricultural Scientists toward Privatization of Agricultural Extension Services. National Institute of Agricultural Extension Management Rajendrana, Heydarabad. Available on <http://www.manage.gov.in/pvtext/pvext/htm>