

**EMERGING TRENDS IN EXTENSION DELIVERY:
IMPLICATIONS FOR THE BANANA INDUSTRY OF THE
WINDWARD ISLANDS**

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Abstract

Extension systems are constantly changing, adapting to new environments. Over the last decade or so, globalization and its effects in terms of free market competition, productivity and efficiency has created new paradigms for the operation of both public and private sector extension. Extension systems worldwide are reacting to these effects. Developed countries have resorted to privatization to face the new challenges, while developing countries are looking towards commercialization and decentralization. The Banana Industry of the Windward Islands with its quasi private sector extension system is seeking new ways of meeting the challenges of globalization. Commercialization of the Banana Extension Systems in the Windward Islands is being proposed as the way forward. In that proposal, it is being recommended that the issues of method of delivery, method of financing, management and coordination should be addressed.

Introduction

In the Windward Islands, agriculture's contribution to GDP and employment is significant. The Banana Industry for most of the islands, except Grenada, is an important contributor to economic activity. In recent times, the Industry had been taken over in its contribution to GDP by the tourist sector. However, the banana sector still remains the greatest contributor to economic activity. This is so because the 'banana dollar' gets into households where more than 65% of household income is spent on consumables. In the other sectors, employees come from households in which expenditure on consumables is much less.

Globalization is now threatening the survival of this vital industry. Several different initiatives are in place to confront the challenges that has been brought on by globalization. This paper was developed to support one of these initiatives, the restructuring of the Windward Islands Banana Industry. The purpose of the paper is to draw on the experiences of other delivery systems worldwide that are faced with the problems of making their system more responsive to the changes in the global environment so as to sensitize Banana Extension Organisations in the Windward Islands as to the changes occurring in the delivery of extension services in general. The paper also proposes options for dealing with the crises that each Association is faced with in attempting to meet the extension needs of the Banana Industry.

Extension in Transition

Public sector extension worldwide is under pressure from the several sources. Farmers complain that extension is not reaching them; governments complain about the impact of extension on national economic development, non-governmental organisations challenge the legitimacy of government sponsored extension as providers of support services to low resource men, women, youth and landless farmers; while funding agencies complain about the absorptive capacity and efficiency of public sector extension to make use of resources given to it.

The Caribbean has had a long history of both public and 'private sector' extension. Public sector extension operated under the aegis of Ministries of Agriculture, while private sector extension is found in Commodity Associations. In reality, the functioning of public sector extension and private sector extension is not much different. In fact, there exist much more similarities than differences. They both work with all farmers, they respond to farmers need in a programmed approach, benefits are not linked to performance of staff and they provide a wide range of services, technical and managerial. The outstanding difference is in the financing of those services. Whereas public funds are used to finance public sector extension, farmers in Commodity Associations contribute directly to the financing of its extension. In some cases, public sector funds are used to support Commodity Associations' delivery mechanisms through grants and funded projects.

Globalization and its effects in terms of free market competition, productivity and efficiency has created a new paradigm for the operation of both public and private sector

extension. Both types of extension are seeking new ways to be more competitive, productive and efficient. In general, the public sector extension is looking towards plurality in their approach to addressing issues of competitiveness, productivity and efficiency; while the private sector is finding solutions in decentralization and privatization of their services.

Trends in Extension

The extension crisis is not unique to developing countries. Developed countries are experiencing similar problems. Over the last two decades two streams of extension can be identified. In the 1960's, technology diffusion/transfer was the system promulgated. During that era the technologists or the owners of scientific information was assumed to be the important variable in the development equation. The clientele were generally assumed to be receivers of 'sacred' information. The dominant methodology at that time was the World Bank sponsored T&V system.

In the 1980's the focus shifted to knowledge intensive methodologies that resulted in demand driven approaches. These approaches focused on the demands of farmers as the important driving force. From this new extension trend came decentralisation and privatisation. Table 1 summarises this evolution of extension.

Table 1: Evolution of Extension

Agricultural Environment		
Subsistence	Commercial	Privatized
Technology Transfer	Technology Transfer	Demand Driven
Needs identified for farmers	Farmers understanding their needs	Farmers identifying their needs
Programme developed to address needs	Articulation of needs and search for solutions	Source providers to address needs and compare options
Adopt solutions	Adopt solutions	Adapt practices to the characteristics of their farm, household and agro-ecological environment
Evaluate	Evaluate	Evaluate

In Latin America and the Caribbean, commercialization, decentralization, and privatization¹ is new. The pressures to be more cost efficient are pushing more and more countries to adopt new cost recovery approaches. The pace of transformation varies

¹ Commercialization is the process of charging user fee for services which were once given free using government or association delivery services

Decentralization is the transfer of responsibility of an organization's delivery services to a third party; that party although financed by the first party may or may not employ user fees. Decentralization is usually considered a first step towards privatization.

Privatization is the full transfer of ownership from government or a commodity board to a private entity.

depending on the socio-political environment and the degree to which the new systems can provide benefits to all farmers. Clearly, no one system can provide benefits to the many different categories of farmers. What is emerging is plurality in approach in terms of means of delivery and means of financing. The more commercially oriented approaches serving the more commercial farmers and the less commercial farmers are served by public sector extension, non-governmental organisations and parastatal organisations. In St. Lucia this is demonstrated by the two approaches currently in place. The Commodity Approach targets the more commercially oriented farmers that produce for export and targeted local markets and the less commercial farmers that are served by the St. Lucia Rural Enterprise Project; a Project funded by the International Fund for Agricultural Development (IFAD), the Caribbean Development Bank and the Government of St. Lucia. Table 2 presents the emerging situation of extension delivery mechanisms for Latin America. Similar changes are occurring in Africa, India and the Pacific States.

Table 2: Changes in the provision of agricultural extension services: cases from Latin America

Country	Means of delivery	Means of Financing
Chile Costa Rica Honduras Ecuador	Subcontracted to private agencies	Mostly public sector cost recovery
Columbia Venezuela	Public sector at municipal level	Public sector
Mexico	Subcontracted to private agencies	Co-financing from national and state governments increasing use of cost recovery mechanisms
Peru Bolivia	Private agencies selected by commodity organizations	Project funds (government of Peru and IFAD) and community rotating funds
Nicaragua	Public sector (Nicaraguan Institute of Agricultural Technology –INTA)	Government with support from the World Bank and the Swiss government (farmers pay extensionist directly)

Source: Bebbington 1995; Berdegue 1997.

The situation is slightly different in the developed world. Developed countries are moving directly towards privatization. This can be explained in the evolution of their agriculture. Subsistence farming is not as important as in developing countries; in fact, privatization is occurring in an environment of advanced commercialisation. Experiences coming from those countries that have privatized their extension system, The United Kingdom, New Zealand and the Netherlands, seem to indicate that like the developing countries the question of equity is playing an important role in shaping the means of delivery of services to the different categories of farmers.

Banana Extension in the Windwards

The Banana Industry of the Windward Islands, although in the private sector, has always operated as a public sector institution. The protective environment in which the Industry operated encouraged the emergence of social welfare practices; for instance, interest free credit, cross-subsidization, lax monitoring procedures. Commercialism, although on the agenda of the Banana Associations, never received its full meaning in the operationalization of the day-to-day activities of the Industry. Subsidization and cross subsidization are common features of the Industry. Banana Extension fitted into that social welfare environment. Extension programmes were developed based on what the extension officers and or the administrators of the industry felt were the needs of the growers. Farmers were not empowered through extension programmes to articulate their needs. Extension systems operated in a technology transfer mode. And in this environment, growers never felt it was their obligation to seek advise from extension to minimize their risks and to adapt techniques to fit their farm, household and agro-ecological environment. The mechanisms to identify and to vigorously pursue farmers' problems in relation to industry problems were not in place. In other words, extension is not demand driven.

The Banana Industry of the Windwards is placed in a particular situation. On the one hand it has to perform the task of generator of national wealth and on the other it is seen as provider of well being to many small farmers. It attempting to rationalize the two the Industry finds itself cross-subsidizing the less commercial farmers. As a sector within the agricultural sector the Banana Industry must clearly define its purpose. The contradiction as provider of national wealth and social welfare must be resolved. This is a policy issue. It is only when this is done that real measures in commercialization and or privatisation of the Banana Industry and extension can be seriously contemplated. If this were to happen, then transformation of the public sector extension must also occur so that the Banana Industry can receive the full benefits of commercialization. Any transformation should address the different categories of farmers, the commercial and the less commercial.

Over the last decade, the Industry has had to adopt and adapt many changes to maintain its exporting status. The removal of protection has only served to exacerbate the difficult situation of adjusting to the many changes. Certification, new varieties, irrigation, new post harvest methods are but some of the changes the industry has had to deal with on a daily basis. Extension with its poorly trained staff, lacking in motivation and inappropriate supervisory mechanism, responded to the level of their expectations. The present system is therefore not geared to respond to the many changes which the Industry has to adopt in order to face up to the competition. Management's decision to reduce on extension staff because of falling revenue may not be the most appropriate solution for the problems that the industry is faced with at the moment. What is needed is the strengthening of the education processes and emphasis to position farmers to respond to the changes. There is an obvious need for greater emphasis on farm management, economic and trade literacy. Therefore, changes within the present delivery system may be more appropriate in dealing with the challenges.

The Way Forward

If the Industry is to survive, measures must be taken to address the challenges that extension now faces. The following are some of the more critical areas that must be addressed:

Method of Delivery

The industry has to decide whether to continue with its present system of delivery of services or to outsource extension providers. If the decision is to use the present contingent of staff, then the Associations has to put in place a massive training programme to retool its staff. In that case, it would be highly recommended to make redundant the present staff and to rehire those among them who are capable of taking the Industry forward. Rehiring under new contracts would allow the Associations to better manage its staff based on performance criteria.

Targeting will also be an important component of the method of delivery. The Associations should use targeting as a means to identify farmers who are capable of taking the industry forward, and also as a strategy of working with farmers. Targeting will allow the Associations to measure the impact of its field staff and at the same time provide a useful means of calculating incentive through performance-based criteria.

The other form of delivery that the Associations can consider is outsourcing. The Industry can contract service providers to make specific interventions. The two forms of delivery are not mutually exclusive. In fact, it may make good economic sense to keep a small field staff and outsource specific services as the need arises.

Whatever system of delivery is used, the outcome at the farmer level should be the empowerment of farmers to make the decisions as to what to adopt for their farm situation and to know the level of risks involved.

Method of Financing

The present system that allows for deductions to be made from farmers' sales to finance field staff operations does not reward good farmers. The more you produce the more you pay. In fact, it rewards poor farmers and punishes good farmers through the mechanism of cross subsidization. Associations should consider a system of direct deductions. One means of achieving this is through contracts. Contracts can be drawn up for the provision of specific services. For instance, a farmer may decide that he or she does not need leaf spot control services. It is recommended that this system of deductions be time-phased with an equivalent phasing in of payments until the maximum is reached. The system should be given a minimum of three years and a maximum of five years to become fully functional. The first year should be devoted to preparing the farmers to move into the system. During the year they should be able to see the

benefits from the system. In order for the system to work, farmers must feel comfortable that there are benefits to be had from it.

As another option, Associations may choose a flat fee based on the number of farmers and the cost of the delivery of services. This option does not give farmers the choice to pay for the services they require. However, it allows Associations to maintain a service that can have quick response to unforeseen problems. That service would be always available; farmers would have the choice to access it. Both options have their advantage and disadvantage, however, Associations must ensure that whatever system is put in place farmers, who are not too commercial in the early years, are not marginalized. Whatever the system, it should allow for the development of those farmers that the Association regard as being able to meet the criteria for competitiveness. However, a mechanism must be put in place to ensure that these farmers respond to the assistance given or be provided with a different option.

Management

Management, or the functioning of the field staff operations, must be strengthened. Strengthening activities should focus on strategic planning, programme development, implementation, monitoring, evaluation and staff development. Coaching and mentoring of field staff must become a routine part of field staff management. A system that records the activities of staff must be introduced. Associations should look towards information systems that can assist them to manage their activities. In the meantime, the system of using booklets with triplicate copies, one for the farmer, one for the field staff and the other for management, is highly recommended.

A system of incentives and bonuses should be introduced to reward performing staff. Staff members who are not performing should be dismissed. Associations should not be burdened with poor performers.

Management should be critical in its hiring procedures. Only those persons who meet the criteria laid down by management should be hired and each entrant should go through a mandatory probationary period before any extended contracts can be issued. Associations should source service providers to assist in putting in place this mechanism and to monitor it. Third party intervention may bring on the air of fairness.

Coordination

The Associations would need support in putting together the proposed changes. The interventions for addressing the problems that the Industry is faced with should be coordinated. It is recommended that Associations contract an extension service provider to guide them through the transformation. The functions of that

provider should be to advise, assist, train and to put in place coordinating mechanisms to support the Associations' transformation processes.

Conclusion

The Banana Industry of the Windward Islands is at crossroads. It must decide whether or not it wants to accept the challenges with which it is confronted. Reforming its delivery mechanisms would be central in meeting the new challenges. The experiences in commercialization and privatization coming for other developing countries should be used as a platform to shape their intervention strategies. Method of delivery, method of financing, management and coordination are four critical areas that must be addresses if the Industry's delivery systems are to have any significant impact. The responsibility lies with each Association to put together a system that best fits its local situation. There will be much need for sharing and partnershiping because of the limited amount of experiences in this area. One thing that must be present if the challenges are to be met is the Associations' resolve to confront their problems in a positive manner. It is no longer business as usual, the Industry is faced with a new paradigm and new behaviour must be skillfully crafted to respond to this new situation.

References

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