

# **PLURALISM AND PARTNERSHIP IN EXTENSION: SELECTED EXPERIENCES**

**Pantjar Simatupang**

**Roundtable Consultation on Agricultural Extension**

**Chinese Academy of Science-Syngenta Fondation**

**Friendship Hotel, Beijing, March 15-16, 2012**

# OUTLINE

- **CONDITIONS FOR PARTNERSHIP**
- **CURRENT STATE OF PARTNERSHIP DEVELOPMENT**
- **EXAMPLES OF PARTNERSHIPS**
- **CONCLUSION**

# **NECESSARY CONDITIONS FOR PARTNERSHIP DEVELOPMENT**

## **1. ENABLING LEGAL FRAMEWORK**

## **2. EXTENSION PLURALITY:**

- **PUBLIC**
- **PRIVATE**
- **NGO**
- **INDIVIDUAL/FARMERS GROUPS/COMMUNITY (PARAEXTENSION)**

## **3. DEVELOPMENT OPPORTUNITY (DRIVERS)**

- **PRIVATE (TECHNOLOGY) INNOVATIONS**
- **DEMAND FOR SPECIAL PRODUCTS**
- **MODERN MARKETS DEVELOPMENT**
- **SUPPLY CHAIN MANAGENT FOR COMPETITIVENESS**
- **NGO DEVELOPMENT: PHILANTHROPIC MOVEMENT**

## **4. ENABLING POLICY-REGULATORY ENVIRONMENT**

- **TECHNOLOGY POLICIES**
- **TRADE AND INVESTMENT POLICIES**

# **EXTENSION PARTNERSHIP IN INDONESIA: LEGAL FRAMEWORK**

## **EXTENSION ACT 16/2006 AND ITS DERIVATIVE REGULATIONS:**

- **LEGALIZATION OF PRIVATE, NGO AND PARAEXTENSION EXTENSION**  
**=>ENABLING EXTENSION PLURALITY**
- **LEGALIZATION OF PUBLIC SUPPORT FOR PRIVATE AND NGO EXTENSION:**
  1. **CAPACITY DEVELOPMENT: TRAINING, ACCREDITATION PARTNERSHIP IN EXTENSION IMPLEMENTATION ACTIVITIES**
  2. **FARMERS-PRIVATE BUSINESS PARTNERSHIP**
  3. **UTILIZATION OF PUBLIC EXTENSION INFRASTRUCTURES AND FACILITIES**
  4. **ORGANIZING AND FUNDING OF FARMER, EXTENSION, RESEARCH, BUSINESS, GOVERNMENT COMMUNICATION FORUM**
  5. **FACILITATION FOR EXTENSION PROFESSION ASSOCIATION**
  6. **ENABLING NORMS, STANDARD AND REGULATIONS****=>ENABLING PUBLIC-PRIVATE PARTNERSHIP**

# PLURALITY AND PARTNERSHIP **IN** EXTENSION IN INDONESIA

## 1. HIGH PLURALITY IN TYPES:

- PUBLIC EXTENSION SERVICE:
- RESEARCH INSTITUTIONS AND UNIVERSITIES (PUBLIC AND PRIVATE)
- PRIVATE EXTENSION SERVICE
- NGO'S AND DEVELOPMENT INSTITUTIONS
- PARAEXTENSION WORKERS (LOCAL INDIVIDUALS, FARMERS GROUPS, COMMUNITY)

=>HIGH POTENTIAL FOR PARTNERSHIP

## 2. INTENSITY AND SPREAD OF ACTIVITIES STILL UNBALANCED:

- PUBLIC EXTENSION: REMAIN DOMINANT
- BUSINESS INTERLOCKING PRIVATE EXTENSION: RAPIDLY GROWING
- NGO EXTENSIONS: UP AND DOWN
- PAREXTENSION: HEAVILY DEPENDENT ON GOVERNMENT SUPPORTS
- COMMERCIAL PRIVATE EXTENSION SERVICE : UNDERDEVELOPED

## 3. SEEMINGLY DIFFERENTIATED SEGMENTED DELIVERY CHANNELS

=> LIMITED PARTNERSHIP IN EXTENSION

# TYPES OF PRIVATE (AND NGO) EXTENSION

## 1. BUSINESS INTERLOCKING (EMBEDDED) EXTENSION SERVICE: **MOST COMMON**

- MARKETING PROMOTION AND MARKET DEVELOPMENT: **AGROINPUTS SUPPLIERS**
- CONTRACT FARMING :
  - AGRIPRODUCT PROCUREMENT: **AGROPROCESSING AND TRADING-LOGISTICS COMPANIES**
  - PRODUCTION OUTSOURCING: **SEED SUPPLIER COMPANIES**

## 2. EXTENSION FOR PUBLIC SERVICE (NGO'S AND DEVELOPMENT INSTITUTIONS)

- EXTENSION SERVICE NOT FOR PROFIT
- AN ELEMENT OF DEVELOPMENT PROJECTS

## 3. COMMERCIAL EXTENSION SERVICE: **RARE**

- EXTENSION SERVICE FOR SALE
- PAID BY FARMERS, GOVERNMENT OR OTHERS

# THE DRIVERS OF PLURALISM: THE RISE OF PRIVATE EXTENSION

- **POLICY AND REGULATORY CONTEXT:**
  - R&D DECENTRALIZATION
  - GOVERNMENT DECENTRALIZATION
  - **INTERNATIONAL DEVELOPMENT INSTITUTIONS ADVOCATION**
- **SUPPLY PUSH:**
  - INTRODUCTION OF PRIVATE TECHNOLOGY INNOVATION
    - HYBRID SEEDS: CORN
    - MODERN FARMINGS: POULTRY
  - THE RISE OF PRIVATE R&D
- **DEMAND PULL:**
  - INCREASING DEMAND FOR HIGH VALUE QUALITY PRODUCTS
  - THE RISE OF MODERN MARKETS: MANAGED SUPPLY CHAIN
  - THE RISE OF GLOBAL VALUE CHAIN AND OUTSOURCING

# **CURRENT STATE OF EXTENSION PARTNERSHIP IN INDONESIA:**

## **PUBLIC-PRIVATE**

- **PREVALENCE: LIMITED**
- **AREAS OF PARTNERSHIP:**
  1. **EXTENSION DELIVERY: LIMITED**
    - **ACTIVITIES:**
      - **DEMONSTRATION PLOT**
      - **FARMER'S FIELD DAY**
    - **PRIVATE BUSINESS PARTNERS:**
      - **AGROINPUT SUPPLIERS**
      - **AGRIPRODUCT SUPPLIERS (CONTRACT FARMING)**
      - **AGROPROCESSING ENTERPRISES (CONTRACT FARMING)**
  2. **EXTENSION MATERIAL PRODUCTION: LIMITED, IF ANY**
  3. **EXTENSION CAPACITY BUILDING: MAINLY FOR PARAEXTENSION**
  4. **SUPPLY CHAIN DEVELOPMENT: NEWLY INITIATED (FME PROJECT)**
  5. **POLICY-REGULATORY ENABLING ENVIRONMENT: LOW EFFECTIVITY**
    - **THROUGH EXTENSION COMMISSION**
    - **MERELY AN ADVISORY BODY FOR THE GOVERNMENT**



# CURRENT STATE OF EXTENSION PARTNERSHIP IN INDONESIA: PRIVATE-PRIVATE

- PREVALENCE: WIDE AND RISING
- AREAS OF PARTNERSHIP:
  1. EXTENSION DELIVERY: NON-EXISTENT (IRRELEVANT BY EXCLUSION PRINCIPLE?)
  2. EXTENSION MATERIAL PRODUCTION: NON-EXISTENT NON-EXISTENT (IRRELEVANT BY EXCLUSION PRINCIPLE?)
  3. SUPPLY CHAIN DEVELOPMENT: MOST COMMON
  4. POLICY-REGULATORY ENABLING ENVIRONMENT: NON-EXISTENT, POTENTIALLY IMPORTANT (A MISSING RELEVANT AREA OF PARTNERSHIP)

# FROM PARTNERSHIP **IN** EXTENSION TO PARTNERSHIP **FOR** EXTENSION DEVELOPMENT

## 1. SHARPEN THE OBJECTIVE:

- **PARTNERSHIP IN EXTENSION: EXTENSION ACTIVITY (OUTPUT) ORIENTED**
- **PARTNERSHIP FOR EXTENSION DEVELOPMENT: DEVELOPMENT (IMPACT ) ORIENTED**

## 2. BROADEN THE SCOPE:

- **PARTNERSHIP IN EXTENSION : EXTENSION ACTIVITY**
- **PARTNERSHIP FOR EXTENSION DEVELOPMENT : EXTENSION SYSTEM**
  - **EDUCATION AND RESEARCH FOR KNOWLEDGE AND INNOVATIONS GENERATION**
  - **EXTENSION MATERIAL PRODUCTION**
  - **EXTENSION DELIVERY**
  - **INNOVATION ADOPTION AND VALUE CHAIN DEVELOPMENT**
  - **CREATING ENABLING EXTENSION ENVIRONMENT (SUPPORTING PUBLIC INFRASTRUCTURE POLICY AND REGULATION**

## **AN EXAMPLE OF **PUBLIC-PRIVATE** PARTNERSHIP FOR EXTENSION DEVELOPMENT IN INDONESIA: FARMERS' MANAGED EXTENSION (FME)**

- **CHAMPION: CENTRAL GOVERNMENT GOVERNEMENT WITH WORLD BANK SUPPORT (Farmer Empowerment Through Agricultural Technology and Information (FEATI) Project)**
- **PARTICIPATING PARTNERS:**
  1. **GOVERNMENT EXTENSION SERVICE (CENTRAL (MoA), PROVINCIAL, DISTRICT): OVERALL MANAGEMENT OF THE PARTNERSHIP**
  2. **GOVERNMENT R&D: SOURCE OF INNOVATIONS AND EXTENSION MATERIALS, (PARTICIPATORY) ACTION RESEARCH FACILITY**
  3. **PUBLIC EXTENSION WORKERS: EXTENSION DELIVERY AND FARMER SUPERVISION**
  4. **FARMERS: GROUP LEARNING AND PRACTICE (FARMING AND FARMERS' OWN ENTERPRISE)**
  5. **PRIVATE ENTERPRISE: TRADER (BUYER OF THE FARM PRODUCES)**

## **AN EXAMPLE OF PUBLIC-PRIVATE PARTNERSHIP FOR EXTENSION DEVELOPMENT IN INDONESIA: FME (CONT)**

- **APPROACH: FARMERS-LED CUM MARKET-LED**
- **FUNDING: FULLY FINANCED BY THE GOVERNMENT**
- **PERFORMANCED: MIXED**
- **WEAKNESS:**
  1. **SOFT BUDGET SYNDROM: INDISCIPLINARY BUDGET UTILIZATION**
  2. **LACKING OF ACCOUNTABILITY (OF ALL PARTICIPANTS):**
  3. **BUREAUCRATIC CAPTURED: CENTRALLY DESIGNED GUIDELINES**
  4. **LACKING OF VALUE CHAIN EXCLUDEABILITY: PROBLEM IN CONTRACT ENFORCEMENT**
  5. **SINGLE WINDOW INNOVATION SOURCE**
- **POLICY RECOMMENDATION:**
  1. **REVISITED THE ROLES OF GOVERNMENT: LIMITED FOR PROVIDING PUBLIC INFRASTRUCTURE, CREATING ENABLING POLICY&REGULATORY ENVIRONMENT AND ENFORCEMENT OF FAIR COMPETITION PRACTICE**
  2. **ENCOURAGE PRIVATE INVOLVEMENT**
  3. **OPEN SOURCE OF INNOVATIONS**

## **AN EXAMPLE OF PRIVATE-PRIVATE PARTNERSHIP FOR EXTENSION DEVELOPMENT IN INDONESIA: POTATO CONTRACT FARMING**

- **CHAMPION: A LEADING POTATO CHIP PROCESSING COMPANY**
- **OBJECTIVE: DEVELOP DOMESTIC PROCURED RAW MATERIAL**
- **STRATEGY:**
  1. **INTRODUCE THE APPROPRIATE POTATO VARIETY (FOREIGN ORIGIN)**
  2. **DEVELOPE CONTARCT FARMING AND THE VALUE CHAIN THROUGH DIRECT INTERVENTION**
- **PARTICIPATING PARTNERS:**
  1. **THE CHAMPION: INTRODUCTION OF SEED SPECIAL QUALITY (IMPORTED), SITE SURVEY, FEASIBILITY TRIAL AND INTRODUCTORY EXTENSION AND PUBLIC CAMPAIGN, CONTRACT FARMING ARRANGEMENT, FARMING FACILITATION AND SUPERVISION, EXCLUSIVE BUYER OF THE PRODUCE AND VALUE CHAIN COORDINATOR**
  2. **FARMERS: CONTRACT FARMING GROUP**
  3. **PRIVATE ENPRISES: SEED PRODUCER, AGROCHEMICAL SUPPLIERS, MICRO-FINANCE SERVICE PROVIDER**

## **AN EXAMPLE OF PRIVATE-PRIVATE PARTNERSHIP FOR EXTENSION DEVELOPMENT IN INDONESIA: POTATO CONTRACT FARMING (CONT)**

- **PROGRESS: EXPANDING RAPIDLY**
- **CONSTRAINTS:**
  1. **IRREGULARITY IN SEED SUPPLY (IMPORTATION PROBLEM)=>ROOM FOR PUBLIC-PRIVATE PARTNERSHIP IN ENABLING POLICY ENVIRONMENT**
  2. **THE CHAMPION ABSORPTION CAPACITY OF THE FARM PRODUCE**
- **WEAKNESS:**
  1. **EXCLUSIVE PARTICIPANTS: ALL DETERMINED BY THE CHAMPION**
  2. **UNCONTESTABLE MARKET: MONOPSONISTIC =>COULD LEAD TO UNFAIR PRACTICE AGAINST FARMERS**
- **KEY TO THE SUCCESS (AS WELL AS THE WEAKNESS):  
EXCLUSIVE VALUE CHAIN WITH A DOMINANT CHAMPION**
- **POLICY RECOMMENDATION: ENCOURANGE MORE SIMILAR VALUE CHAIN**

## SELECTED CHARACTERISTICS OF EXTENSION SYSTEM BY TYPES OF PROVIDERS

ACTORS	MAIN OBJECTIVE	COMMODITY FOCUS	APPROACH	STRENGTH	LIMITATION/ CONSTRAINT
<b>PUBLIC</b>	<b>Food security Farmers ' income</b>	<b>Food crops</b>	<b>FFS: Farmers-led FMA: Farmer &amp; Market-led</b>	<b>Public oriented Soft budget constraint</b>	<b>Lack of accountability</b>
<b>PRIVATE:</b>					
<b>Agroinput Suppliers</b>	<b>Providers' profit</b>	<b>Input intensive</b>	<b>Providers-led</b>	<b>Private innovation entry point</b>	<b>Prone to unfair competition</b>
<b>Agriproduct Suppliers (Contract Farming)</b>	<b>Providers' profit</b>	<b>High value</b>	<b>Market-led</b>	<b>Private innovation entry point</b>	<b>Prone to unfair competition</b>
<b>Agroindustry outsourcing (Contract Farming)</b>	<b>Providers' Profit</b>	<b>High value</b>	<b>Providers-led</b>	<b>Private innovation entry point</b>	<b>Prone to unfair competition</b>
<b>NGO</b>	<b>Providers' missions</b>	<b>Open-ended</b>	<b>Providers-led</b>	<b>Not for profit</b>	<b>Project base: Short duration Limited scale</b>
<b>Commercial Extension Company</b>	<b>Providers' profit</b>	<b>Open-ended</b>	<b>Farmers (consumers)-led</b>	<b>Potentially best practice</b>	<b>Underdeveloped or lack of demand</b>

## **LESSONS LEARNT**

### **1. THE NECESSARY CONDITIONS FOR PARTNERSHIP IN EXTENSION HAS BEEN DEVELOPED IN INDONESIA:**

- **REGULATORY FRAMEWORK**
- **EXTENSION PLURALISM**

### **2. PARTNERSHIP IN EXTENSION HAS NOT BEEN DEVELOPED WELL. DUALISTIC PLURALISM OR DIFFERENTIATION IN THE EXTENSION SERVICE AREA BY ACTORS:**

- **PUBLIC: TRADITIONAL BASIC FOOD PRODUCTION**
- **PRIVATE: HIGH VALUE-PRIVATE TECHNOLOGY**



## **LESSONS LEARNT (CONT-2)**

- 3. RATHER THAN PARTNERSHIP IN EXTENSION, PRIVATE DRIVEN PARTNERSHIP FOR EXTENSION DEVELOPMENT HAS BEEN GROWING WELL:**
- 4. A NEED FOR PARADIGM SHIFT: EXTENSION FOR DEVELOPMENT PARADIGM**
  - (MARKET-LED) EXTENSION PLUS VALUE CHAIN DEVELOPMENT: EDUCATION + TECHNOLOGY TRANSFER+ TECHNOLOGY ADOPTION FACILITATION + VALUE CHAIN DEVELOPMENT**
  - OBJECTIVE: INNOVATION ADOPTION AND VALUE CHAIN ESTABLISHMENT**
  - (RESEARCH-EXTENSION-FARMER) PLUS PRIVATE BUSINESS LINKAGE**
  - PUBLIC-(PRIVATE-PRIVATE) PARTNERSHIP DRIVEN**

## **LESSONS LEARNT (CONT-3)**

### **5. REVISIT THE TRADITIONAL DEFINITION AND CONCEPT OF EXTENSION: ADDING PRIVATE PERSPECTIVE**

- **EXTENSION AS MARKETING PROMOTION AND MARKET DEVELOPMENT**
- **PRIVATE GOOD NATURE OF AGRICULTURAL EXTENSION**

### **6. MOST IMPORTANT AREAS OF PUBLIC-(PRIVATE-PRIVATE) PARTNERSHIP**

- **PRIVATE SECTOR ACCESS TO PUBLIC EXTENSION INFRASTRUCTURE**
- **DEVELOPMENT OF ENABLING POLICY AND REGULATORY ENVIRONMENT:**
  - **TECHNOLOGY POLICIES: RELEASE (COMMERCIALIZATION) AND IMPORT PERMIT**
  - **CONTRACT FARMING FACILITATION: GOVERNMENT INTERMEDIATION IN CONTRACTUAL FORMATION AND ENFORCEMENT**
  - **DEVELOPMENT OF PUBLIC AGRICULTURAL INFRASTRUCTURE : i.e. IRRIGATION, TRANSPORTATION,**
  - **ENFORCEMENT OF FAIR COMPETITION PRACTICES**

**THANK YOU VERY MUCH**