

DEPARTMENT OF SOCIAL WORK
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MODEL ANSWER

Time: 3 HOUR

M.M. = 75 MARKS

PAPER: - MS-304(D) LIVELIHOOD AND DEVELOPMENT

I. ATTEMPT ALL QUESTIONS EACH CARRY EQUAL MARKS 10X2= 20.

1.awarded Nobel prize for Microfinance

Answer: Muhammad Yunus

2. Indian National Agriculture Sample classified organized and unorganized sector (True/False).

Answer: True

3. NSSO conducted an enquiry on Common Property resources in

a) Rural area

b) Urban Area

c) Semi urban area

d) All of the above

Answer: a) Rural area

4. The concept of Gender Mainstreaming came into existence in

a) 1990

b) 1995

c) 1997

d) All of the above

Answer: b) 1995

5. Globalization is the outcome of

- a) New Economic Policy**
- b) Planning Commission**
- c) Finance Commission**
- d) None of the above**

Answer: a) New Economic Policy

6. The Crises of Microfinance arise in the state of

- a) Andhra Pradesh**
- b) Bihar**
- c) Maharashtra**
- d) None of the above**

Answer: a) Andhra Pradesh

7. Poverty is a Multidimensional phenomenon (True/False).

Answer: True

8. Models of the Common Property Resources management includes

- a) Capitalist Model**
- b) Socialist Model**
- c) Anthropologist**
- d) All of the above**

Answer: d) All of the above

9. Gender is a

- a) Biological construct**
- b) Socio-cultural constructs**
- c) socio-economic construct**
- d) All of the above**

Answer: b) Socio-cultural constructs

10. induced to displacement

Answer: Development

II. ATTEMPT ANY FIVE QUESTIONS (Write your Answers 150- 200Words) 7X5=35.

1. Discuss the concept of Micro Planning? Explain the tools of micro planning?

Answer: Micro planning is essentially participative, people – centered (target groups) based on informed judgment. Micro-planning, in this sense, goes down further than the grass root formal structures to involvement of community groups / affected people / target groups / interest groups etc. Micro Planning may be taken up for an area, a community, a group, an individual or for a specific scheme. Micro planning is a comprehensive approach to planning.

Objectives of Micro Planning

- To mobilize the local community to prepare village level plans
- To provide support system to the project so that the project becomes feasible
- To ensure that all affected households are taken care off.

The major objective of micro planning is not on issues pertaining to allocation of resources but on issues pertaining to better use of resources, which are already allocated to community / settlement / village. It should, therefore, be flexible. The object and subject of micro planning is local people. Micro planning, therefore, has to be taken up by along with local people. Micro planning is people centered participatory planning. It starts with identification of problem with the help of community rather than starts with identification with goals and objective Micro planning is basically is a decision making process through which certain goals are achieved Micro plan preparations become indispensable for the development process. Nowadays agencies gave lot of emphasis on preparation of micro plan with the villagers.

The participatory method helps in strengthening process of participation by seeking involvement of local people, enabling them have flexibility in analysis of their issues and making space for them to be creative, whether they are illiterate, young, old, men or women. Participatory rural appraisal (PRA) is a label given to a growing family of participatory approaches and methods that emphasize local knowledge and enable local people to make their own appraisal, analysis,

and plans. PRA uses group animation and exercises to facilitate information sharing, analysis, and action among stakeholders. PRA tools can be used for following situations successfully.

Problems identification: Often made visually clear through a "problem tree," through which key problems the project is meant to address are identified, grouped, and prioritized and their causes and effects brought to light.

Development of Objectives: In a corresponding objectives tree, the desired solutions are articulated, clustered and prioritized.

Alternatives: Understanding the range of means for meeting objectives creates a project strategy.

Assumptions: These conditions are necessary for successful transformation of problems into secured objectives. A range of participatory tools and techniques are available for interactive participation. A unique approach will develop for interacting with people and learning with them about resources available and related issue with the help of following tools and methods.

Rapport building (Open ended meeting): It is very essential to establish channels of effective communication with local communities. Several visit to them with the objective of building communication links starts with a process of rapport building. Sometime it is a time consuming exercise because outsider may look with suspicion. Greeting, small game or do it yourself will organize to make the rapport with the community. The method can be selected as per the nature of the community.

Identification of Key informant: Not all community members are equally knowledgeable in all areas. Some have better knowledge than others whether due to their experience, nature of jobs, contacts kind of livelihood. Therefore identification of key informant is essential within the community.

Transect walk: It is an exciting opportunities for direct observation and gathering first hand knowledge about the location with the community. The method of joint walk to selected area or village with community helps in observing the different aspect of the resources in the area. The community members use to explain and discuss the nature of the issues related to the area.

Village meetings: Meetings with villagers has always useful in participatory development, especially in information sharing and group consultation, consensus building, prioritization and sequencing of interventions, and collaborative monitoring and evaluation. When multiple tools such as resource mapping, ranking, and focus groups have been used, village meetings are important venues for launching activities, evaluating progress, and gaining feedback on analysis.

Mapping: Mapping is a general opening exercise to allow a wide range of issues to be explored. It allows people to explore and exchange general ideas on their area. To indicate areas of concern and interest that could be followed up in other exercises. Participatory mapping involves spatial drawing of any area, drawn on ground, paper or other material by local people with the help of facilitator to show and explain their locality and related issues. The mapping can include a range of items like households, livestock, farm size water bodies, field forest, tress, road, facilities etc. This is an excellent starting point for participatory work because it gets people involved in creating a visual output that can be used immediately to bridge verbal communication gaps and to generate lively discussion. Maps are useful as verification of secondary source information, as training and awareness raising tools, for comparison, and for monitoring of change. Common types of maps include health maps, institutional maps (Venn diagrams), and resource maps.

Time Line: This is a major tool, which can be used for learning and measuring changes and their effects on the community. Timeline technique will provide broad indication of changes in natural resources, land use, community problems, and socio-economic aspects.

Seasonality: Season tend to influence lives and livelihoods of local communities in major ways. The seasons bring changes in climate and rainfall, agro-ecological conditions, nature and extent of jobs, days of labor, etc

Semi structured interview: Semi structure is different from structured interview, which is usually based on a fixed number of pre-determined questions. A semi-structured interview is an informal guided dialogue to collect information with the help of a checklist. The checklist (sequence) is only used to initiate the interview, once the interview starts, other relevant issues can be added for probing. A multi-disciplinary team is very useful to probe various issues from different angles.

Focus group discussions: Interviewing a group of people together provides access to the knowledge of several people at once. The small group of people with specialist knowledge or interest in a particular topic is invited to discuss in details. The successful FGD need: to be held at comfortable place with no interventions, an informal atmosphere, and equity and trust between participants.

SWOT analysis: SWOT stands for Strengths, Weaknesses, Opportunities and Threats. A SWOT analysis helps to find out and analyses the strong and weak points within the stakeholder groups. At the same time, it looks at outside opportunities and threats. Once the strengths, weaknesses, opportunities and threats listed out then, one can develop a strategy for the group. Thus, Micro planning is not a one shot exercise. It is a continuous process and it unfolds itself in the process of implementing the micro plan.

2. Explain the implications of the common Property Resources for the poor and marginalized communities?

Answer: Common property resources represent a significant component of available land resources and have importance for the poor. These areas often include fallow fields, forests, fishing grounds, pastureland and wetlands. Common property resources provide food, fodder, fuel and medicinal plants as well as other materials for sustenance or income. In many instances common property resources may be the only or main source of food, fuel, building materials

and income. Common property resources are usually governed by traditional rules that determine who can use which resource.

However, State policies often sponsor privatization schemes and the conversion of land operated under common property laws to private land held by a few large land owners. Privatization has the impact of marginalizing the poor and making them more vulnerable to poverty.

Sometimes privatization is de facto through powerful community members who refuse to honor traditional arrangements. The emergence of new technologies, improved crops, or new markets often increases incentives for powerful community members to make claims on common access resources for their exclusive use.

3. “Gender inequality is perpetuated through various institutions”. Explain the statement?

Answer: Gender inequality is prevalent in various institutions.

- **Inequalities in political power:** Women are under-represented in political processes throughout the world. It is important to look at and understand gender differences in power within formal decision-making structures (such as governments, community councils, and policy-making institutions). Given the underrepresentation of women and the low visibility of women’s perspectives, the fact that women often have different priorities, needs and interests than men is often not apparent. National, regional or sub-regional priorities, or even the specific needs and priorities of a community, are often defined without meaningful input from women.
- **Inequalities within households:** Inequalities in negotiating and decision-making potential and access to resources have been documented within households. This has prompted questions about both research and policy which is based on the assumption that households function as units where each member benefits equally. The investigation of differences and inequalities at the household level is relevant to an understanding of a range of key issues, including the ability of women and men to respond to economic incentives, the design of effective strategies for HIV/AIDS prevention, and appropriate and equitable social security policies.
- **Differences in legal status and entitlements:** Despite national constitutions and international instruments that proclaim equal rights for women and men, there are many instances in which equal rights to personal status, security, land, inheritance and

employment opportunities are denied to women by law or practice. Addressing the resulting constraints for women is important as an end in itself, but it is also essential for formulating effective national strategies for increasing economic productivity and growth, reducing poverty and achieving sustainable resource management.

- **Gender division of labour within the economy:** In most countries, women and men are distributed differently across manufacturing sectors, between formal and informal sectors, within agriculture, and among occupations. Women are also more likely than men to be in low-paid jobs and “non-standard” work (part-time, temporary, home-based), and likely to have less access than men to productive assets such as education, skills, property and credit. These patterns mean that economic trends and economic policies are likely to have different implications for women. **Inequalities in the domestic/unpaid sector:** In many countries it is women who shoulder most of the responsibilities and tasks related to the care and nurturing of the family (including laundry, food preparation, childcare, care of the sick and cleaning). In many countries in the South, women also make an important contribution to family food production and water and firewood provision. These tasks add to women’s workload and are often an obstacle to engaging in political action or expanding economic activities. Recent research has sought to demonstrate the relationships between this “reproductive work” and the “productive” sector of the economy in particular the dependence of all productive activities on the creation and maintenance of a healthy labour force through this work at the household level, and the way in which the reproductive sector can be affected by the consequences of economic policies related to trade, investment and public expenditure. There has been an important shift from focusing on how economic policies have affected welfare in a gender-specific manner, to illustrate men how gender biases negatively affect the outcome of these same economic policies.
- **Violence against women:** Gender inequality is also manifested in gender-based violence, either by a woman’s intimate partner (domestic violence), by an enemy army as a weapon of attempted ‘ethnic cleansing’ or in sexual exploitation through, for example, trafficking of women and girls.
- **Discriminatory attitudes:** Gender inequalities are not only economic, but are also reflected in other ways that are difficult to measure and change. Ideas about appropriate

behaviour, independence, and aptitudes are often grounded in gender stereotypes and vary for women and men. Ideas and practices tend to reflect and reinforce each other (the one providing the rationale for the other), which contributes to the complexity of achieving change.

- **Discrimination in religious sites:** Women are also discriminated in religion. In Hindu religion, women are considered inferior and have no right to get educated and no property rights, according to Manusmriti, Hindu religious manuscript. Women are not allowed into masjid in Muslim religion. Buddhism is the religion which gives equal rights to women.

4. Discuss the national and regional strategies for sustainable livelihood for the urban poor/slum dweller?

Answer: Reducing poverty in urban areas is likely to be a growing task for governments and development agencies in the coming decades. As rural–urban migration continues, the majority of population is to be found in urban areas in an increasing number of countries, and in most contexts, urban areas provide much greater opportunity and fewer social restrictions on the livelihood possibilities open to the poor. But these opportunities will be realized only if urban development is tailored *to* the livelihood aspirations of the poor.

The core of the SL approach is the analytical framework. This focuses attention on the assets that poor men and women use and the strategies that they employ to make a living – rather than focusing on their needs, in the vein of previous development approaches such as ‘basic needs’. A variety of detailed frameworks have been developed by the agencies using SL approaches. However these generally overlap in the way that they relate the core SL concepts as a virtuous or vicious cycle of increased sustainability of livelihoods.

Assets: These are the resources on which people draw in order to carry out their livelihood strategies. These resources include a broad range of financial, human, social, physical, natural and political capital. Assets are not always owned by the men and women who use them in their livelihood strategies rather, they may have varying extents of access to and control over these assets. Issues relating, to access to assets and how the access of poor men and women can be improved is key to the SL model.

PIPs: These refer to Policies, Institutions and Processes. PIPs cover a broad range of social, political, economic and environmental factors that determine peoples choices and so help to shape livelihoods, such as institutions (established ways of doing things, such as social norms

and belief systems), organisations, policies or legislation. They are relevant at all levels, from households to global processes. They are key in determining *access* to the various types of capital asset that women and men use in pursuing their livelihood strategies either through acting as conduits to make assets available to them, or as barriers to their access.

Livelihood strategies: These are the planned activities that men and women undertake to build their livelihoods. They usually include a range of activities designed to build asset bases and access to goods and services for consumption. Livelihood strategies include coping strategies designed to respond to shocks in the short term, and adaptive strategies designed to improve circumstances in the long term. Livelihood strategies are determined by the assets and opportunities available to men and women (which are in turn affected by PIPs and changes in the vulnerability context) as well as by the choice and preferences of men and women.

Livelihood outcomes: These are the results of women and men's livelihood strategies and feed back into the vulnerability context and asset bases, with successful strategies allowing them to build asset bases as a buffer against shocks and stresses, as opposed to poor livelihood outcomes which deplete asset bases, thereby increasing vulnerability. Livelihood outcomes may therefore lead into either virtuous or vicious cycles.

5. What do you mean by Stakeholder analysis? Describe the capacity buildings of stakeholders?

Answer: Stakeholder Analysis (SA) is a methodology used to facilitate institutional and policy reform processes by accounting for and often incorporating the needs of those who have a 'stake' or an interest in the reforms under consideration. With information on stakeholders, their interests, and their capacity to oppose reform, reform advocates can choose how to best accommodate them, thus assuring policies adopted are politically realistic and sustainable.

A stakeholder is any entity with a declared or conceivable interest or stake in a policy concern. The range of stakeholders relevant to consider for analysis varies according to the complexity of the reform area targeted and the type of reform proposed and, where the stakeholders are not organized, the incentive to include them. Stakeholders can be of any form, size and capacity. They can be individuals, organizations, or unorganized groups. In most cases, stakeholders fall into one or more of the following categories: international actors (e.g. donors), national or political actors (e.g. legislators, governors), public sector agencies, interest groups (e.g. unions,

medical associations), commercial/private for-profit, nonprofit organizations (NGOs, foundations), civil society members, and users/ consumers.

The capacity buildings of stakeholders are as below:

- **Participatory meetings:** Is about communication and collaboration amongst different groups of people. It is about diverse stakeholders coming together to collaboratively agree on their expectations, share information, discuss ideas, plan, implement, monitor and evaluate development actions. Very often, such communication and collaboration takes place in the context of meetings or workshops. Methods for designing organizing and conducting effective meetings and workshops are, therefore, a fundamental aspect of participation.
- **Large scale/public meetings:** These include, for example, conferences, public consultations, “town hall meetings” and large-scale seminars. Such meetings are useful for disseminating information and clarifying issues. They tend, however, to be dominated by the most vocal and powerful stakeholder groups.
- **Workshops:** Workshop are smaller scale, action-oriented events, where diverse stakeholders come together to address an issue, not just to study it. In project and policy work, ranging from pre-planning to evaluation stages, stakeholder workshops are used to initiate, establish, and sustain collaboration with stakeholder groups. With the assistance of a facilitator, a workshop goes beyond information-sharing to resolve differences, build consensus, seek solutions, make decisions and plan actions. A large-scale meeting or conference may include several workshops in which small groups of participants work on specific problems or sectorial issues.
- **Brainstorming:** Brainstorming (also known as “workshop method”) can be used in small or large groups to initiate discussion, rapidly generate ideas, stimulate creative thinking and encourage collective analysis. Participants are encouraged to let ideas flow freely. Initially, these ideas are recorded exactly as they are stated without judgment or rejection. The ideas are then collectively organized into categories and analyzed.
- **Focus group discussion:** These are small, often informal discussion groups whose participants are selected to represent either a cross-section or specific category of project stakeholders. Through guided discussions, the interests and concerns of participants are

identified and analyzed. Such meetings are often held at the field level, near stakeholders' home base.

- **Standing bodies:** These include, for example, project boards, advisory groups, management or steering committees and task forces. Participatory project management frequently involves the formation of such groups (composed of diverse stakeholder representatives) at the local, regional and/or national level.

Thus, these are the various methods, through which the capacity building of the stakeholder conducted.

6. “Microfinance is the solution for the livelihood of the people” Explain the statement with special reference to women?

Answer: Historically, the promise of poverty alleviation through microcredit was tied primarily to one product the productive loan invested in a micro enterprise delivered primarily by one type of provider a microfinance institution (MFI). Microfinance encompasses all financial services and how to provide them in a way that improves the quality of life of poor women and men.

Recognizing gender issues in microfinance, as in any project intervention, means more than targeting a programme towards women. It means recognising the position of women in relation to men as actors in society: in the context of husbands and families; local community and authority; and more broadly their position in society at the national level as governed by laws and custom. Then it is necessary to act to support women to overcome the obstacles they face in these relationships which prevent them from using financial services to achieve what they wish for themselves Women often lack control over cash management within their household and may be dependent on their husband to access financial services.

Moreover, rules often prevent women from owning assets or participating in wage-earning activities outside the household. For

example, in India especially rural area, women's mobility outside was restricted due to orthodox mindset and patriarchal society. However because of the microfinance women are going out to the banks, they are getting awareness about the finance, and they actively engage in the financial activity. Women's equal access to and control over economic and financial resources is critical for the achievement of gender equality and empowerment of women and for equitable and sustainable economic growth and development. Women are not

only empowered economically but also in the other sphere, such as political sphere, at the household levels they are getting the decision making power.

7. Define the term sustainable livelihood? Elaborate the impact of globalization on sustainable livelihood?

Answer: The concept of Sustainable Livelihood (SL) is an attempt to go beyond the conventional definitions and approaches to poverty eradication. These have been found to be too narrow because they focused only on certain aspects or manifestations of poverty, such as low income, or did not consider other vital aspects of poverty such as vulnerability and social exclusion. It is now recognized that more attention must be paid to the various factors and processes which either constrain or enhance poor people's ability to make a living in an economically, ecologically, and socially sustainable manner. The SL concept offers a more coherent and integrated approach to poverty.

The sustainable livelihoods idea was first introduced by the Brundtland Commission on Environment and Development, and the 1992 United Nations Conference on Environment and Development expanded the concept, advocating for the achievement of sustainable livelihoods as a broad goal for poverty eradication.

In 1992 Robert Chambers and Gordon Conway proposed the following composite definition of a sustainable rural livelihood, which is applied most commonly at the household level: "A livelihood comprises the capabilities, assets (stores, resources, claims and access) and activities required for a means of living: a livelihood is sustainable which can cope with and recover from stress and shocks, maintain or enhance its capabilities and assets, and provide sustainable livelihood opportunities for the next generation; and which contributes net benefits to other livelihoods at the local and global levels and in the short and long term".

The impact of globalization on sustainable livelihood as:

The critics of globalization have frequently claimed that it is worsening poverty and widening inequality, both nationally and internationally. Some views provide the more accurate picture of the impact of economic globalization on the world's poor. The views of the critics permit several interpretations. One interpretation points that the poor are actually getting poorer and absolute poverty is increasing. Another interpretation argues that the poor are getting richer, but the rich are getting richer at an even faster rate, and inequality is increasing. Other experts

argue that globalization leads to increases in inequality as trade increases differentials in returns to education and skills, globalization marginalizes certain groups of people or geographic regions, and opening up lags behind development of adequate institutions and governance. Globalization and poverty inequality are complex and subjective concepts. One interpretation points that the poor are actually getting poorer and absolute poverty is increasing but the rich are getting richer at an even faster rate, and inequality is increasing.

In the globalized era new technologies are coming up and without creating alternative livelihood opportunities for the people. The poor are getting marginalized and excluded in the process of development. For example the land of the tribals have been grabbed by the developmental projects, and the tribals becomes landlessness, and also deprived from their livelihood, hence in this context the have are getting richer and the have not are getting poor and poorer.

III. ATTEMPT ANY TWO QUESTIONS. 10X2=20

1. Explain the different models of Common Property Resource management?

Answer: Common property resources, particularly forests and pastures are rapidly decreasing and deteriorating in developing countries. There are three models of common property resource management.

- a) Capitalist Model
- b) Socialist Model
- c) Anthropological Model

a) Capitalist Model: The capitalist model argues that resources that are held commonly are subject to degradation. Hence, privatization of public resources is the only viable solution to the problem. Neo-classical economists argue that because of growing population pressure, resources held in common are subject to destruction as individuals maximize individual gains without bearing the costs. They suggest that the proper solution of the overexploitation of common resources, therefore, is to internalize its costs by making the public aspect of resources private.

b) Socialist Model: The socialist model explains that economic poverty caused by inequitable distribution of resources among rural agrarian population is the driving force of resource destruction. Therefore, collectivization or nationalization of public resources serves as an equitable strategy of resource management.

c) Anthropological Model: This model suggested by social scientists particularly anthropologists, asserts the multiplicity of economic, historical, political, and social dynamics at play in resource degradation. These dynamics have disrupted the local control system which otherwise would serve as effective means of common property resource management. They suggest that the policy makers should recognize, support, and strengthen cultural system and socio-political institutions of local people rather than replacing them with other forms of management strategy, for traditional customs and usages practiced by local people have several positive effects in managing and sustaining common property resources and promoting socioeconomic development.

Both models viz; capitalist and socialist do not recognize the complexity of local social structures. They try to single out single causal factor: over population by the capitalist model and economic relations by the socialist model. The contrasting views do not seem to address themselves to each other. Both models overlook a variety of interrelations reflected in the resources that are perceived as commons. The privatization model favors only a relative few at the expense of many. It deprives poor people off their public resources, as resources are privately owned by those people who are already privileged and thus have more access to resources. This strategy forces poor people to use the remaining marginal resources that, in turn, accelerate the rate of destruction.

Anthropologists invariably suggest community forestry as an appropriate and effective solution to the problems of common property resource management in developing countries. Community management strategy is attractive because of the fact that local residents have both the most stake in, and most information about natural resources.

2. Elaborate the crises of Microfinance? Explain the strategies for mitigates crises of Microfinance?

Answer: Microfinance is the providing micro credit to the needy and poor people. First introduced in, Bangladesh by Mohammad Yunus. Microfinance loans provide financial access to the poorest to meet expenditures for marriages, ceremonies and certain other rituals, repayment of old dues, children's education, income generating activities including agriculture and to start new business.

In India, there exists a variety of microfinance institutions in government as well as non-government sectors. Leading national financial institutions like the Small Industries Development Bank of India (SIDBI), National Bank for Agriculture and Rural Development (NABARD), and the Rashtrya Mahila Kosh (RMK) have played a significant role in making micro credit a real movement in India. The size and types of these organizations range from very small to moderately big organizations involved in saving or credit activities either for individuals or groups. Many organizations are involved with SHG not only for credit but also for other purposes like agriculture, watershed etc.

Crisis of microfinance:

In 2006-07 in Andhra Pradesh, Krishna district, there have been reports of debt- related suicide. Women who took the loans from the Micro Finance Institutions (MFIs) have committed suicide.

The major allegations against the MFIs as:

- 1) MFIs charged exorbitant rates of interest. Not only that MFIs charge absolutely high interest rate but their practices like forced savings, applying a flat rate method and adding service and other charges, over and above the annual interest rates.
- 2) MFIs lack transparency with regard to their interest rate practices.
- 3) MFIs resorted to unethical ways of recovering loans by confiscating title deeds, using intimidation and abusive language.

- 4) MFIs aggressively poached from government and banks to capture their borrowers. They lured the members of government supported SHGs by liberally financing them, leading to multiple financing.

Considering the debt-related suicide of women in mind, the then Government of Andhra Pradesh promulgated an ordinance that retroactively waived loans where a sum of twice the principal had been repaid. It enforced that repayment collections occur at panchayat officers, and added onerous regulation that requires registrations of MFIs with district authorities, who may at any time, cancel it.

The strategies to mitigate the crises of Microfinance are as:

- The Micro finance Institutions should take step towards ensuring client delight through offering.
- Diversify Debt Sources: Due to scarce on lending resources, many MFIs had to adapt to the stricter terms imposed by lenders (increased cash collateral, reduced repayment frequency, personal guarantee requirement, portfolio buyouts, and increased interest rates, among others). By diversifying sources, MFIs can reduce dependency on a single source and achieve greater bargaining power to determine the terms of loans. A good mix of public and private sector banks with varying debt exposure would further reduce the risk.
- Reduce Financial Risk by Decreasing Leverage/Increasing Equity: As part of their diversification strategy, MFIs should focus on increasing equity. Indian microfinance is characterized by its high leverage and high off balance sheet obligations, which means that most MFIs have acquired fixed debt obligations that must be paid irrespective of the income generated by the organization in any year. At times of crisis (and indeed in times of significantly lower than expected revenues), debt obligations are All rating agencies and investors pay great attention to the quality of governance of MFIs. Below are key indicators of sound governance which may ease fundraising efforts: Presence of experienced microfinance practitioners and bankers in the Board of Directors, Involvement and efficiency, quality and track record of senior management, and issues of transparency, disclosure and audit.

- **Reduce Operating Costs through Efficient Systems or Technology Leverage:** In the era of intensifying competition, most MFIs have focused on rapid growth as their core strategy. But too often limited attention is given to quality of operations and products, which are the core of any MFI. Sound and efficient operations and strengthened systems have three effects. First, they reduce operating costs; second, they boost the confidence of funding institutions as they see better security of their investments; and third, they help in maintaining better portfolio quality, thus increasing revenues. Optimizing processes (and where appropriate, leveraging technology) can help in reducing operating costs and bringing efficiency. In addition, reduced operating costs can set off some losses arising due to increased financial cost.
- **Enhance Value Proposition:** In times of crises, with increasing cost of capital and narrowing margins, only the fittest may survive. This means that MFIs must reconsider their value proposition in light of client's needs. An MFI which serves the needs of its target market will see continued revenue flow by retaining clients. MFIs should revise their strategic business plans and develop a strategy to attain sustainable competitive advantage.

3. What do you understand by advocacy? Discussed the significance of advocacy in the sustainable livelihoods with example?

Answer: Advocacy is all about influencing for positive change in the lives of people. The term encompasses a range of activities that organisations, communities or individuals can carry out to exert pressure for change to a specific policy or in a behaviour of a government, institution, organisation (e.g. national government ministry, local government development committee) or possibly a single individual (business leader, local leader). Advocacy can also be aimed at influencing attitudes, social relationships and power-relations and opening up democratic spaces. In unstable environments or fragile states a greater emphasis might be placed on consensus-building and dialogue in order to put an issue on the agenda.

Ultimately advocacy seeks to address the underlying causes of a problem, remove the obstacles that prevent a solution being reached and successfully influence agendas to

achieve the desired change. Advocacy for resilient livelihoods (RL) could be an important element in achieving wider changes related to poverty reduction, development and social justice. Advocacy tools can include: research and policy analysis, lobbying, engaging the media, communication, awareness-raising, popular mobilisation and campaigning. You and/or your partner/s will need to choose the right tool or combination of tools for your context in order to influence for the desired change.

Advocacy is instrumental in raising awareness, and for creating acceptance and political will necessary to make changes at all levels (see above) to reduce risk and support resilient livelihoods.

Resilience is often fundamentally affected by practices outside the control of the affected community e.g. a community at the mouth of a river may well be practicing sustainable, resilient livelihoods, but if the catchment is being deforested and the hydropower company opens the dam every time there is a tropical storm upriver, they will be inundated and their livelihoods swept away. These upstream-downstream impacts imply an explicit focus on advocating for the rights of more vulnerable communities and for local Governments operating horizontally across local government boundaries since catchments often include two or more districts/municipalities. This analogy extends beyond rivers to include greenhouse gas emissions, pollution, etc. The context of vulnerability and the priorities for building resilience at a community and local level should inform any advocacy undertaken i.e. there need to be clear links between the experience of local people and the solutions advocated at a local and national level.

Advocacy planning and activities need to be integrated into programme structures, systems and plans. This is the responsibility of managers as well as programme officers

Supporting communities to articulate their own needs and desires, giving them the confidence and capacities to influence decisions that affect their own future: this is part of our/our partners' investment in them, leaving them stronger and more resilient in the future and more able to look after themselves.

- Most NGOs actively stress that local communities should have a stronger voice in the issues that affect them, so NGOs themselves should involve local communities in their advocacy.

- Local advocacy will be greatly enhanced by strong local ownership and participation of communities; this is also an important criterion for the legitimacy of Christian Aid and partner advocacy.

- Communities can play an important role in identifying issues suitable for advocacy through community action planning.
- Effective advocacy requires credible evidence, which includes community experiences.
- Real people's stories about how they are affected by a weak policy, a certain issue or an injustice make advocacy come alive for decision-makers and the public

The person who does the advocacy must remember certain things in minds as:

People and communities have existing knowledge, ways of working together and their own capacity that must be recognised and supported.

- Be flexible enough to respond to local needs and agendas. The capacity building that you can provide must correspond to what local communities and organisations want from you.
- Stay engaged under difficult circumstances. The weaker the capacity, the greater the need.
- Different partners will complement each other in advocacy and can share skills. For example, some partners will be strong on advocacy at national or provincial level, while those that work at community level might be able to learn from them for local level advocacy, and might also have the capacity to gather the evidence from communities.

Coalitions and networks can greatly enhance the effectiveness of advocacy. They can increase legitimacy, strength, resources and safety. They can help coordinate and focus pressure on an important target(s). Coalitions are also attractive to donors that prefer to fund a coalition rather than many individual civil society organisations (CSOs). Supporting coalitions and coalition-building, might be an important part of an advocacy assistance programme.

Investigating the root causes of the problem and the possible solutions

- Researching the issues and developing policy
- Analysing the political context, sometimes referred to as a power analysis - what are the political forces at work, what are the vested interests, how does change happen in your context?
- In a conflict or fragile context it would be critical to include power and conflict analysis
- Establishing clear goals, objectives and indicators

- Identifying stakeholders: targets, opponents, allies, supporters
- Developing key messages partners and communities want to get across
- Developing a time-line identifying key „moments“ for influencing opportunities
- Developing and implementing engaging and impactful activities, ideally linked to the „time-line“, that will act as vehicles for partner and communities“ concerns and create pressure for change on decision-makers
- Planning your monitoring, reviewing and evaluating.

Advocacy plays an important role in the context of sustainable livelihood.