

## RC1

Microfinance in India started in the early 1980s with small efforts at forming informal self-help groups (SHG) to provide access to much-needed savings and credit services. From this small beginning, the microfinance sector has grown significantly in the past decades. National bodies like the Small Industries Development Bank of India (SIDBI) and the National Bank for Agriculture and Rural Development (NABARD) are devoting significant time and financial resources to microfinance.

The strength of the microfinance organizations (MFOs) in India is in the diversity of approaches and forms that have evolved over time. In addition to the home-grown models of SHGs and mutually aided cooperative societies (MACS), the country has learned from other microfinance experiments across the world, particularly those in Bangladesh, Indonesia, Thailand, and Bolivia, in terms of delivery of microfinancial services. Indian organizations could also learn from the transformation experiences of these microfinance initiatives. Robinson (2001) defines microfinance as “small-scale financial services—primarily credit and savings—provided to people who farm, fish or herd” and adds that it “refers to all types of financial services provided to low-income households and enterprises.” In India, microfinance is generally understood but not clearly defined. For instance, if a SHG (Self-Help Group) gives a loan for an economic activity, it is seen as microfinance. But if a commercial bank gives a similar loan, it is unlikely that it would be treated as microfinance. In India, microfinance is done by organizations having diverse orientations.

NGOs in India perform a range of developmental activities; microfinance usually is a sub-component. Some of these NGOs organize groups and link them to an existing provider of financial services. In some cases NGOs have a “revolving fund” that is used for lending. But in either of these cases, microfinance is not a core activity for these NGOs. An example is the Aga Khan Rural Support Programme India (AKRSP-I). For AKRSP-I, the microfinance component is incidental to its work in natural resource management. Examples like MYRADA and the Self-Employed Women’s Association (SEWA) fall in the same category. However, as their microfinance portfolios grew, both organizations decided to form separate entities for microfinance. MYRADA set up an MFO called Sanghamitra Rural Financial Services (SRFS), while SEWA

set up the SEWA Cooperative Bank.

At the next level, we find NGOs helping the poor in economic activities. Their purpose is developmental. They see microfinance as an activity that feeds into economic activities. For instance, the South Indian Federation of Fishermen’s Societies (SIFFS) started as a support organization for fishermen, providing technical and marketing support. It then arranged for loans to its members through banks. When the arrangement was not effective, it started providing loans itself. At the third level, we have organizations with microfinance at the core. They have developmental roots, but are diverse in their operational details, orientation, and form of incorporation.

1). The style used by the author in this passage is

(a) descriptive (b) instructional (c) critical (d) analytical

2). Which one of the following is the strength of the microfinance organizations in India?

(a) In India, microfinance is provided by NGOs that help the poor in economic activities.

(b) In India, microfinance is done by organizations having diverse orientations.

(c) In India, diverse approaches have been used and there is learning from other microfinance experiments across the world.

(d) In India, microfinance is generally understood but not clearly defined.

3). “If an SHG gives a loan for an economic activity, it is seen as microfinance. But if a commercial bank gives a similar loan, it is unlikely that it would be treated as microfinance.”

Which of the following options would help understand the above statement?

(a) In India, microfinance is defined by ‘who gives the loan’ and not by ‘why it is given’.

- (b) In India, microfinance is defined by 'why the loan is given' and not by 'who gives the loan'.
- (c) Microfinance is generally understood but not clearly defined.
- (d) None of the above

## RC2

Civilization cannot exist without spoken language, but it can without written communication.

The Greek poetry of Homer was at first transmitted orally, stored in the memory, as were the Vedas, the Sanskrit hymns of the ancient Hindus, which were unwritten for centuries. The South American Empire of the Incas managed its administration without writing. Yet eventually, almost every complex society – ancient and modern – has required a script or scripts. Writing, though not obligatory, is a defining marker of civilization. Without writing, there can be no accumulation of knowledge, no historical record, no science (though simple technology may exist), and of course no books, newspapers, emails, or World Wide Web. The creation of writing in Mesopotamia (present-day Iraq) and Egypt in the late 4th millennium BC permitted the command and seal of a ruler like the Babylonian Hammurabi, the Roman Julius Caesar, or the Mongol

Kublai Khan to extend far beyond his sight and voice and even to survive his death. If the Rosetta Stone had never been inscribed, for example, the world would be virtually unaware of the nondescript Greco- Egyptian king Ptolemy V Epiphanes, whose priests promulgated his decree upon the Rosetta Stone in 196 BC written in three scripts: sacred hieroglyphic, administrative demotic, and Greek alphabetic. Writing and literacy are generally seen as forces for good. All modern parents want their children to be able to read and write. But there is a negative side to the spread of writing that is present throughout its more than 5,000-year history, if somewhat less obvious. In the 5th century BC, the Greek philosopher Socrates (who famously never published a word) pinpointed our ambivalence towards 'visible speech' in his story of the Egyptian god Thoth, the mythical inventor of writing.

Thoth came to see the king seeking royal blessing on his enlightening invention. But instead of praising it, Thoth: *"You have invented an elixir not of memory, but of reminding; and you offer your pupils the appearance of wisdom, not true wisdom, for they will read many things without instruction and will therefore seem to know many things, when they are for the most part ignorant."* In a 21st-century world saturated with written information and surrounded by information technologies of astonishing speed, convenience, and power, these words of Socrates recorded by his disciple Plato have a distinctly contemporary ring.

1). Author has used the examples of Homer and The South American Empire of the Incas to illustrate which of the following?

- 1. The inevitability of resorting to written communication.
  - 2. The importance of spoken language.
  - 3. The possibility of civilization without the tool of written form of language.
- (a) Only 1 (b) Both 1 and 2 (c) Only 3 (d) Only 2

2). According to the passage, which of the following is true?

- (a) Writing is a tool not of knowledge but of reminding.
- (b) Socrates was against the written mode of communication.
- (c) The teachings of Socrates are timeless and are still relevant.
- (d) Writing has an important place in modern world.

### RC3

Tom O'Riordan for example, in his 1976 book, *Environmentalism*, distinguished four ideologically diverse propositions for tackling the current environmental crisis by means of institutional reform. For the sake of clarity, these four propositions can be ordered as follows. In the first place, a distinction can be made between statist and anti-statist propositions. The anti-statist propositions can then be divided into proposals for global or for local (communal or regional) policies. Finally, the proposals for local policies can be divided into authoritarian and anti-authoritarian solutions. But O'Riordan considers only one position, one centred on the nation-state, centralised authoritarianism.

This is the position represented in particular by William Ophuls who, together with Paul Ehrlich and Garret Hardin, ranks as a prominent advocate of so-called 'lifeboat ethics' according to which rich countries should not be too ready to help poor countries lest the world population continue to grow and put even greater pressure on already scarce food supplies and strategic resources. In the light of ecological scarcity, frugality is a must, says Ophuls; we should be aiming for a 'steady-state society' in which the population and the means of subsistence are in balance. Liberal democracy is not equipped to achieve this aim, however; what is needed is a Hobbesian sovereign, a 'green Leviathan'. Ophuls leaves us in no doubt as to who shall be in charge of this future state.

"The ecological complex steady-state society may... require, if not a class of ecological guardians, then at least a class of ecological mandarins who possess the esoteric knowledge needed to run it well.... The steady-state society will not only be more authoritarian and less democratic than the industrial societies of today...but it will also in all likelihood be much more oligarchic as well, with only those possessing the ecological and other competences to make prudent decisions allowed full participation in the political process." In view of the authority enjoyed by ecologists in Ophuls' steady-state society, his position could also be described as 'eco-cratic.'

1). What is the primary purpose of the author in this passage?

- (a) To advocate O'Riordan's approach to address the environmental crisis through institutional reforms.
- (b) Discuss at length an approach to institutional reform that addresses environmental concerns.
- (c) Describe different approaches to creating an "eco-cratic" society.
- (d) Identify the steps needed for institutional reform with an eye to the environmental crisis.

2). Which of the following statements is true in light of the passage?

- (a) According to Ophuls, judicious decisions cannot be taken in a democratic society.
- (b) Ophul's ideology is described as a "green Leviathan" since it proposes a sovereign state with no democratic leanings.
- (c) In a steady-state society, individual accountability will be proportional to individual capability.
- (d) Riordan's book largely deals with a single authoritarian approach to institutional reform.