

**MICRO-FINANCE AND RURAL  
SELF-EMPLOYMENT THROUGH  
SELF-HELP GROUPS : A STUDY  
OF SELECT DISTRICTS IN ORISSA  
AND HARYANA**

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**ABSTRACT**

*This paper, drawing upon a primary research conducted in 2006-07 in two districts each of Haryana and Orissa States, assesses the governance issues in the operations of Self-Help Groups (SHGs) in rural India. Varimax analysis of the performance parameters identifies the underlying factors which have an impact on the governance of SHGs, and the performance of micro-finance ventures. The main problem areas are found to be low financial base due to the absence of appropriate credit linkages, non-provision of socio-economic incentives to members, and the lack of group commitment to task accomplishment. The results underline the need for an integrated approach to programme governance in rural areas. The paper concludes with policy lessons which can help in improving the implementation of rural self-employment programmes.*