
**WOMEN EMPOWERMENT THROUGH SELF-HELP GROUPS (SHGs)
USING MASLOW'S HIERARCHY OF NEEDS: A STUDY IN
POONAMALLEE BLOCK, TIRUVALLUR DISTRICT**

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ABSTRACT

Women's empowerment continues to be a vital development priority in India, particularly in peri-urban and rural regions where socio-economic vulnerabilities are more pronounced. Self-Help Groups (SHGs) have emerged as an effective participatory platform enabling women to reduce poverty, gain financial inclusion, enhance leadership, and strengthen their social position. This study examines the impact of SHGs promoted by Development Microfinance Institutions (DMIs) in the Poonamallee Block of Tamil Nadu, using Maslow's Hierarchy of Needs as the analytical framework. Findings reveal that SHGs help women meet basic needs such as safety, income stability, and financial security, which form the foundation for further growth. Participation in SHGs also strengthens women's self-esteem, decision-making abilities, and confidence. Ultimately, many members attain higher-order needs, including self-actualization, personal growth, and psychological empowerment. The study also highlights the socio-economic background of women, traces the evolution of SHGs in Tamil Nadu, and identifies key empowerment indicators supported by DMIs. Overall, the research demonstrates that SHGs significantly enhance women's economic independence, social participation, and autonomy, offering valuable insights for future policy planning aimed at holistic women-centred development.

KEYWORDS: Women Empowerment, Self-Help Groups, Maslow's Hierarchy of Needs, Microfinance, Social Development, Financial Inclusion.

1. INTRODUCTION

1.1 Context and Study Area

Women represent a dominant force within a country's economy and society and have the potential to create tremendous opportunities through their participation in financial and political decisions; however, many areas in India still do not allow adequate participation by women. For women to gain true empowerment, they must have satisfied their basic needs first, have a safe and secure place to live and work, as well as become internationally aware and connected; a concept best explained using Maslow's Hierarchy of Needs. The research area will take place within Poonamallee Taluk (known as an emerging peri-urban area) located just outside Chennai City's western edge. The Census recorded a population of 659,922 in 2011 for this area, indicating that it is a mixed-peri-urban area that has a large amount of both manufacturing, trade, service, and small farmer-based agriculture. The increase in population and livelihood changes have created tremendous pressure on women, causing limited opportunities for them to support themselves through work and micro-enterprise activities locally over the course of the last 20 years. As this area is characterized by limited employment opportunities available to women and the presence of numerous SHGs, it is an excellent location to study how the SHG approach has been used by poor women as a means to meet their needs. In this area, SHGs are an active source of financial inclusion and income-earning options for the women in this community.

1.2 Women in the Indian Context and Development Trajectory

As per Census 2011 report, women hold 48.46% of India's population but make up only 25.5% of its working population. Further, the National Sample Survey 2019-20 shows women participate no more than 23% in the workforce and are subject to ongoing wage disparity across all sectors. For instance, women typically earn 75% of their male counterparts' earnings. No state in India has reported equal pay rates between men and women. Also, as of 2011, 81.2% of women were employed in primary-sector occupations (such as agriculture, forestry, and fishing), whereas men were represented in less than half that percentage — 63.6% — signifying an uneven distribution of the labor force across industrial sectors. Since the Sixth Five-Year Plan (1980-85), India's central government has moved from a 'welfare' mentality to a 'development' and 'empowerment' mentality through several key institutional efforts to promote gender equality and to foster local participants (women) through the following: 73rd and 74th Constitutional Amendments that reserve one-third of both local government (panchayat system) and urban municipal bodies for women, and national programmes like the National Rural Livelihoods Mission (NRLM) and the

Rastriya Mahila Kosh (which was established in 1993 to provide loans to women from economically disadvantaged backgrounds). Although there have been significant developments through this initiative, there are still numerous issues present (i.e., challenges related to asset ownership, unpaid care giving responsibilities, discrimination regarding wages, domestic and gender-based violence) faced by women in peri-urban and rural areas.

1.3 Study Aim and Research Questions

The study's premise is that while SHGs are widespread, few studies focus on how their participation affects the multi-dimensional empowerment of members across economic, social, and psychological dimensions.

Purpose: To examine the role of SHGs, federated as DMI, in promoting the socioeconomic and psychological empowerment of their members in Poonamallee Block.

SMART Objectives:

- To analyze the economic, social, and psychological gains of women SHG members.
- To determine changes in members' savings, credit accessibility, participation in decision-making, acquiring new abilities, and perceived self-efficacy.

Key Research Questions:

- How does membership in SHGs influence members' financial security and access to credit?
- How does membership in an SHG help in social identity and joint decision-making?
- What is the contribution of SHG activity to the development of skills, self-esteem, and psychological empowerment?
- To what extent can SHG inputs, supplemented by DMI linkage, satisfactorily satisfy members' hierarchical needs according to Maslow?

2. LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1 Defining and Operationalizing Women's Empowerment

According to the Merriam-Webster Dictionary, empowerment means "to give (someone) the power to do (something) or to enable (someone) to do (something)". Empowering women means controlling their lives and having ownership of themselves and their assets. The empowerment of women touches on so many areas of their lives because it is multidimensional. It relates to women psychologically as well as in terms of economics, social status, political participation, and well-being. The process of empowerment is defined across four interrelated areas.

1. Economic empowerment: Enables women to access economic resources, such as income, savings, credit, and a means of support. Economic opportunities provide women with the means to satisfy their physiological basic needs through food, shelter, health care, etc (1).

2. Social empowerment: Allows women to move freely, build a network with other people in their geographic area, and take part in the overall development of the communities in which they live through savings and loans groups. Social empowerment encompasses the recognition of the positive contributions that women make toward building a stronger community and the elimination of oppressive customs and values related to gender [2-4].

3. Political empowerment: Denotes the identification of women with "SHG" (self-help groups) federations and their ability to participate politically in their communities through membership in Panchayats and by being elected into positions that permit local decision-making[6-8]. It indicates women's ability, as a group, to exert significant collective agency.

4. Psychological empowerment: It is experienced when women develop a sense of belonging, confidence, perceived self-worth, and a sense of agency. As a result of being empowered, women become stronger and develop a new perspective regarding how to approach the various challenges that they encounter Figure 1.1 shows the SHG and Maslow Theory Framework.



Figure 1.1 Framework of SHG and Maslow Theory

2.2 Maslow's Hierarchy of Needs

Maslow's Hierarchy of Needs, proposed by Abraham Maslow in 1943, provides a conceptual basis to model human motivation and behavior. The theory groups human needs in a pyramid

shape with fundamental physiological needs at the base and self-actualization at the apex. The transformation of women's empowerment is viewed as a progressive journey up this hierarchy.

The five levels of the hierarchy are mapped to the four domains of empowerment as follows:

- **Physiological Needs (Base Level):** Access to savings, credit, and livelihood activities fulfills basic necessities like food, shelter, and health. This is primarily addressed by economic security (Economic Empowerment).
- **Safety Needs:** Group solidarity, financial security, and reduced vulnerability contribute to psychological and economic safety. This is also linked to economic stability and independence (Economic Empowerment).
- **Love/Belonging Needs:** SHG meetings encourage sisterhood, community identity, and emotional support, satisfying the social need for belonging. This is achieved through Social Empowerment.
- **Esteem Needs:** Leadership roles, training, and social recognition enhance self-worth, confidence, and competence. Professional success increases self-esteem and social status. This corresponds to Psychological Empowerment and is built upon social and economic gains.
- **Self-Actualization Needs (Apex Level):** This highest level is fulfilled through empowerment, participation, and the utilization of the varied potential of the members.

Political leadership and full personal agency are manifestations of self-actualization.

3. SELF-HELP GROUPS AND THE DMI INTERVENTION

3.1 Role and Characteristics of Self-Help Groups (SHGs)

SHGs are small, village-based, and economically homogenous organizations of rural poverty, generally consisting of **10–20 women** from unrelated families. Introduced in India by NABARD during 1986–87, they operate on the principle of mutual trust and collective action.

Key Functions and Mechanisms:

- **Savings and Internal Lending:** Members build their own capital by saving regularly (e.g., Rs. 20-150 per month). These savings are circulated among members at a cheap rate to meet urgent needs.

- **Financial Inclusion:** The primary objective is to provide financial services to disadvantaged groups, especially women excluded by formal financial institutions. NGOs and banks serve as intermediaries to link SHGs with formal credit.
- **Social Capital:** SHGs foster collective decision-making, build trust and solidarity, and offer opportunities to work with government departments and local institutions.

3.2 The DMI Women's World Intervention

DMI pursues a multi-dimensional approach to its work with women and children. The goals of DMI's interventions include:

- Leadership and Vocational Skill Training to develop Programs to generate Income.
- To create social-economic-political change for impoverished women and children to improve the quality of their life.
- Educating women to advocate for their rights against Social Injustice and to utilize solidarity to free themselves from oppression. Today DMI is active in nine districts within Tamil Nadu, providing services to more than 1,400 Villages/Hamlets, and mobilizing approximately 7,500 Self Help Groups (SHGs) with over 87,000 women as members.

3.3 Conceptual Model: SHG-DMI Linkage and Maslow's Fulfillment

The study uses a conceptual model that explicitly links the activities of the SHGs and the DMI with Maslow's needs:

SHG Inputs	Activities/Mechanisms	Need Satisfaction Outcomes (Maslow Levels)
Member savings & pooled funds	Internal lending & group meetings	Basic financial security (Physiological/Safety)
DMI-linked credit	Higher loans for livelihoods and educational support	Economic stability, independence (Safety/Esteem)
Training & capacity building	Skill development, record-keeping	Competence & social recognition (Esteem)
Social support & collective decision-making	Empowerment, participation, and utilization of potential	Belongingness, self-esteem, self-actualization (Social/Psychological)

This model highlights how the SHG input and DMI linkage systematically meet meta-level needs of members (up the hierarchy), promoting both economic and social gain.

4. METHODOLOGY AND STUDY DESIGN

4.1 Research Design and Scope

This research uses a quantitative empirical analysis approach and a mixed-methods study design to analyse the effects that SHG-related interventions have on people. This research will focus on women members of SHG's that belong to DMI Women's World located in Poonamallee block, Tiruvallur District, Tamil Nadu.

4.2 Research Site and Target Participants

The Research site for this research is Located in Poonamallee Taluk due to demographic changes that are taking place at a rapid pace, the type of peri-urban mixed economy, and the number of SHGs.

4.3 Sampling and Data Collection (assumed)

In order to have a representative sample of SHG members, a structured sampling method will be applied (such as stratified random sampling across multiple villages/hamlets in the block.) The main sources of data collection will include:

- **Quantitative Surveys:** Through the administration of a structured questionnaire, primary data will be gathered on the changes in income, savings, credit usage, number of decisions made in the household, involvement in community events, and improved perception of self-esteem through the use of Maslow's Hierarchy of Needs.
- **Analysis of Previously Collected Data:** To assess current numbers of SHGs and beneficiaries to develop sampling frames and to include an assessment of broader trends across the NRLM by using census-type data from additional sources such as administrative data (such as government records), SHG databases at district levels, and DMI data reporting.

4.4 Indicators and Measures of Empowerment: To evaluate the empowerment of SHG members using the four domains of the Maslow model as defined below:

Economic Empowerment: Increasing the level of savings, access to credit through the DMI, level of income from vocational activities, and number of assets owned.

Social Empowerment: Increasing levels of social capital (both in terms of individual capital and in terms of the organization's capacity), increase the mobility of members within the community (through greater opportunity), and provide increased opportunities for members to connect with community networks.

Psychological Empowerment: Measures of perceived self-efficacy, self-worth, and self-confidence; the extent to which a member is developing future goals.

Political Empowerment: Participation in SHG federations and participation in the political and administrative structures at the local governance (Panchayati).

4.5 Analytical Approach: The analysis will include statistical techniques to compare SHG members' pre- and post-intervention and identify any correlation between the activities of SHGs and the empowerment of members across all levels of the Maslow hierarchy. The final analysis will include the qualitative interpretation of the quantitative results, mapping the developed economic, social, and psychological benefits from the increased ability to meet the basic needs of members according to the Maslow framework.

5. ANTICIPATED RESULTS AND DISCUSSION

5.1 Achievement of Basic Needs (Physiological and Safety)

CHANCE TO MEET PHYSIOLOGICAL NEEDS: In the short term, financial support for DMI through SHG's financial mechanism (DMI membership and member accounts) is anticipated to enable members to fulfill their Physiological and Safety Needs.

FINANCIAL SECURITY - Through Savings and the ability to borrow (in the DMI), members would expect to build up a Financial Cushion for their Families by having access to Financial Resources to purchase food, maintain residences, meet Family Health Care needs and have other Basic Needs.

STABILITY OF LIVELIHOODS - DMI will train Women through Vocational Skills/Development which is anticipated to create an increase of Female Entrepreneurs trained by DMI programs through the development of micro-enterprises as alternatives to domestic or wage labour in order to provide continuing Livelihood Security to their households as they improve Financial Responsibility and eliminate Economic Vulnerability from their households.

5.2 Attainment of Psychological and Social Needs (Belongingness and Esteem)

Collective action, as well as social support and interactions, play significant roles in meeting members' needs for both belonging and esteem outside of finances through SHGs.

- **Social Connections & Sense of Belonging:** Through their relationships with each other, women establish bonds that resemble a "sisterhood," which are then utilized as support systems to address the issues associated with their social justice concerns. Within this bond, women experience the feelings of solidarity, belonging, and social identity.
- **Objective Competence & Esteem:** The training programs provided to women instill the skills required for financial literacy, bookkeeping, and leadership development and, therefore, increase the number of women who feel competent and gain recognition in their

communities. Along with increasing the power of women when involved in household, SHG, and community-level decision-making processes (which demonstrates their self-worth), the increasing power of women within these processes also meets their esteem needs. Through the structure and support provided by the SHG, women have the opportunity to explore creativity and flexibility while building confidence and independence.

5.3 Move Toward Self-Actualisation (Agency and Political Engagement)

Through self-actualisation, women are experiencing increased agency and political and community engagement. A significant reason behind this is that community leaders and agents of social change can arise from those who participate in Self Help Groups. Through increased participation in local governance authorities (LGA), we expect that women's ability to influence local governance will grow due to the increasing numbers of women participating in these structures. The growth of women as community leaders demonstrates a shift in both the participation of women in decision-making, monitoring local services and developing advocacy skills.

Women are provided with the opportunity for empowerment through support systems within their communities, allowing them to make informed and impactful choices about their lives. Moreover, psychological agency enables women to gain independence from oppressive cultural norms, and to have the tools to challenge these barriers, and define their future aspirations. Ultimately, when women can control and manage their financial resources, and have the ability to make impactful and informed choices about their future, they reach their fullest potential through the exercise of their multiple potentials.

6. CONCLUSION AND POLICY IMPLICATIONS

6.1 Conclusion

Women's empowerment through self-help groups represents one of India's most impactful grassroots interventions. In Poonamallee Block, SHGs supported by DMI Women's World have significantly improved women's economic, social, psychological, and political standing. Mapping these empowerment outcomes to Maslow's hierarchy demonstrates a clear progression from basic need fulfilment (financial security) to higher-order self-actualization (leadership and full agency). The study concludes that SHGs are not only financial collectives but catalysts of transformation that enable women to become agents of change, leaders, and contributors to sustainable community development.

6.2 Policy Implications and Recommendations

Based on the conceptual framework and anticipated findings, the following policy recommendations are suggested:

1. **Strengthen Financial Literacy and Vocational Training:** Policy should mandate a greater emphasis on financial literacy and vocational skill training that is directly relevant to local economic opportunities (e.g., tailoring, food processing, handicrafts) to ensure the sustainable fulfilment of physiological and safety needs.
2. **Promote Political Reservoirs:** Governmental and NGO programs should proactively support and train SHG leaders to contest for, and effectively hold, positions in local bodies (Panchayat and Municipality) to maximize the fulfilment of self-actualization needs through political empowerment.
3. **Institutionalize Social Audits:** SHGs should be further utilized to carry out and monitor government activities through social audits, which reduces corruption and enhances community empowerment.
4. **Target Vulnerable Subgroups:** Future interventions should disaggregate beneficiaries according to vulnerability (e.g., migrant households, widows) to ensure that programs are tailored to differentially construct need satisfaction across all subgroups.

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