

Recognising Unpaid Domestic Labour - SC's Landmark Ruling on Homemakers' Economic Value

June 14, 2026 • vajiramandravi.com



Recognising Unpaid Domestic Labour Latest News

- In a significant judgment recently delivered, the Supreme Court (SC) held that unpaid domestic work performed by homemakers has an **independent economic value**.
- Hence, it must be adequately recognised while determining compensation in motor accident death cases.
- The Court fixed a minimum notional income of **₹30,000 per month** for homemakers under a newly created compensation head called "Loss of Domestic Care" and directed that this amount be increased by 10% every three years.

Background of the Case

- The ruling arose from a motor accident compensation dispute in Punjab involving the death of a homemaker, Reshma, in 2001.
- **Course of litigation:**

- The Motor Accident Claims Tribunal (MACT) awarded a compensation of ₹2.42 lakh in 2003.
- The Punjab and Haryana High Court enhanced compensation to ₹8.43 lakh with interest in 2024.
- Dissatisfied with the amount, the deceased's family approached the SC, which substantially enhanced the compensation to **₹62.78 lakh**.
- It recognised not only the deceased's household contributions but also the loss of **maternal care**, spousal companionship, and assistance and support to dependent family members.

Key Directions of the SC

- **Creation of a new compensation head:**

- The Court introduced a distinct category called "Loss of Domestic Care" in motor accident compensation claims.
- Under this,
 - Homemakers will be assigned a minimum notional monthly income of ₹30,000.
 - The amount serves as a benchmark for assessing the economic value of unpaid household labour.
 - It will be revised upward by 10% cumulatively every three years.

- **Applicability to working homemakers:**

- Where a homemaker is also engaged in paid employment, compensation under "Loss of Domestic Care" will be awarded **in addition** to her proven income.
- Thus, unpaid care work and paid work will be treated as **separate contributions**.

Recognition of Homemakers as Economic Contributors

- The Court emphasised that domestic work supports the functioning of the paid workforce, enables overall **economic productivity**, and contributes significantly to family welfare and social development.
- Routine activities such as cooking, cleaning, childcare, elderly care, and household management, have traditionally remained invisible in economic calculations despite their substantial value.
- The Bench described homemakers as "**Nation Builders**": builders of human capital, foundational contributors to society, and essential actors in nurturing future professionals, leaders, artists and citizens.
- The Court observed that many visible economic achievements rest upon the invisible labour performed within households.

Directions to Speed Up Motor Accident Compensation Cases

- **Concern over judicial delays:**

- The SC noted that compensation claims often remain pending for years. **For example**, average pendency before MACTs is about 6 years, and about 8 years before HCs.
- Prolonged delays defeat the welfare-oriented objectives of the Motor Vehicles Act, 1988.

- **Court's directives:**

- Compensation appeals should ideally not remain pending in HCs for more than four years.
- Adjournments should be granted only for genuine reasons.
- Chief Justices of all HCs should prioritise older motor accident compensation cases.

- HCs should assess the need for additional benches to ensure speedy disposal.

Significance of the Judgment

- **First concrete benchmark:**

- While previous judicial decisions had recognised that homemakers' services possess economic value, this judgment is notable because:
 - It establishes a specific minimum monetary benchmark.
 - It formally institutionalises compensation for unpaid domestic labour.
 - It moves beyond symbolic recognition towards measurable economic valuation.

- **Gender justice and social recognition:**

- The ruling advances gender justice, recognition of the care economy, valuation of unpaid household work, and greater sensitivity in compensation jurisprudence.
- It also aligns with long-standing debates on incorporating unpaid care work into broader measures of economic well-being, beyond conventional indicators such as GDP.

Implications for India

- **Positive outcomes:**

- Strengthens legal recognition of unpaid domestic labour.
- Enhances compensation for families of deceased homemakers.
- Promotes a more **realistic assessment** of economic dependency.
- Contributes to gender-sensitive interpretation of welfare laws.

- **Emerging questions:**

- The Court did not provide a precise empirical or mathematical basis for fixing the ₹30,000 benchmark.
- Future debates may arise regarding **regional variations**, inflation adjustments, and standardisation of valuation methods.

Conclusion

- The SC's judgment marks a **transformative step** in Indian compensation law by assigning tangible economic value to unpaid domestic work.
- This decision is likely to influence future jurisprudence on gender equality, labour valuation and welfare-oriented compensation frameworks.

Source: **TH**

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