



Ayana Legal

# THE BUZZ

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Monthly Newsletter By Team Ayana Legal

## International Perspective

- Australia's Family Law Act, 1975 provides that while distributing properties in matrimonial matters, one has to factor in "the contribution made by a party to the marriage to the welfare of the family constituted by the parties to the marriage and any children of the marriage, including any contribution made in the capacity of a homemaker or parent".
- Section 25(2)(f) of the *Matrimonial Causes Act 1973* in England and Wales directs courts to consider the contributions of each of the parties to the welfare of the family, 'including any contribution by looking after the home or caring for the family' while granting relief in divorce proceedings.

## VALUATION OF HOMEMAKER CONTRIBUTION

In March 2023 the Tamil Nadu Government had announced that Rs. 7000 crore of the budget had been set aside to provide Rs. 1000 as monthly assistance money to female heads of eligible households. With the increased focus now on providing remuneration to homemakers, this issue of 'The Buzz' takes a look at valuation of a homemakers contribution.

## CEDAW CONVENTION

General Recommendation No. 17 made by the Committee on the Elimination of Discrimination against Women under the Convention on the Elimination of All Forms of Discrimination against Women was adopted by the United Nations General Assembly (CEDAW) recommended State parties to encourage and support research and experimental studies to measure and value the unremunerated domestic activities of women and take steps to quantify and include the unremunerated domestic activities of women in the gross national product.

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- Constitution of Venezuela, Article 88:

“The state recognizes work at home as an economic activity that creates added value and produces social welfare and wealth. Housewives are entitled to Social Security in accordance with law.”

- Constitution of Cambodia, Article 36:

“The work by housewives in the home shall have the same value as what they can receive when working outside the home.”

## Thank You

We at Ayana Legal thank you for your continued support and patronage to our newsletter and capsules. We look forward to being back with our next edition soon.

## Disclaimer

This newsletter is solely for the purpose of providing information and the content provided is not and should not be construed as legal advice.

## JUDICIAL PERSPECTIVE

In *National Insurance Co. Ltd. v. Deepika*, 2009 SCC OnLine Mad 828, the Madras High Court held the following on evaluating the value of a housewife’s contribution while discussing determination of motor vehicle accident compensation, -

“The Second Schedule to the Motor Vehicles Act gives a value to the compensation payable in respect of those who had no income prior to the accident and for a spouse, it says that one-third of the income of the earning surviving spouse should be the value.” The Court further looked at different methods of computing the value of a homemaker's unpaid labour. One being the “Opportunity Cost which evaluates her wages by assessing what she would have earned had she not remained at home, viz., the Opportunity Lost. The second is, the Partnership Method which assumes that a marriage is an equal economic partnership and in this method, the homemaker's salary is valued at half her husband's salary. Yet another method is to evaluate home-making by determining how much it would cost to replace the homemaker with paid workers. This is called the Replacement Method.”

“The role of a housewife includes managing budgets, coordinating activities, balancing accounts, helping children with education, managing help at home, nursing care, etc. One formula that has been arrived at to determine the value of the housewife is -

Value of housewife = husband's income - wife's income + value of husband's household services, which means the wife's value will increase inversely proportional to the extent of participation by the husband in the household duties.”

The same decision has been upheld by the Supreme Court in *Arun Kumar Agrawal v. National Insurance Co. Ltd.*, (2010) 9 SCC 218.