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A Study on Housewives Contribution towards the Economy

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Abstract

The most integral aspect of contemporary life—housewives' contributions—has not been clearly recognized in the major determinants of national growth. This research provides insight into how housewives significantly contribute to the economy, yet their efforts remain unmeasured due to the absence of a proper valuation method. It further explores why there is no accurate system to quantify their economic activities. Moreover, the intricacies surrounding this broader issue are thoroughly examined and critically analyzed in this study.

Keywords: Housewives economic contribution, unpaid labor, domestic work, invisible workforce, Gender and economy, National growth indicators.

1. Introduction

The exemplary contributors of our society are often exempted from recognition in its integral framework. Because of gender bias, a significant part of their contribution is neither properly considered nor evaluated when calculating a country's revenue within its jurisdiction. This leads to different ideas and perspectives on how essential contributions are neglected in society.

There are countless scenarios where women make powerful and transformative contributions to the economy and community. Yet, whether these contributions are truly valued remains a rhetorical question. The key focus of this research is to highlight the aspects of women's work that go unnoticed and are not accounted for, despite their importance. This will provide an overview of how deeply women are integrated into the economy and how their contribution makes sense in this society.

2. Statement of Problem

In many aspects, women's contributions are significant. However, the question remains whether these contributions are recognized in the right way. Women contribute in diverse forms—managing household responsibilities such as cooking, cleaning, washing utensils, childcare, and elder care. In rural areas, they also engage in agricultural and allied activities like sowing, harvesting, cattle rearing, and collection of fuel and water. Despite this, their work is not reflected in the economic valuation of the nation.

The major problem lies in the absence of a proper and

standardized method to calculate the economic value of women's unpaid labor. Since their contributions are neither monetized nor statistically recorded, they are excluded from national income calculations. This results in an underestimation of the Gross Domestic Product (GDP) and distorts the real economic status of the country.

Additionally, the lack of recognition affects policy-making, as unpaid domestic and care work is not considered while designing welfare schemes, labor policies, or economic development programs. This invisibility also leads to social and financial insecurity for women, limiting their access to economic benefits, social status, decision-making power, and legal protection.

Due to the exclusion of unpaid work from economic indicators, the nation fails to accurately assess its productivity, development, and comparative standing with other countries—both in terms of economic growth and overall living standards of its citizens.

3. Review of Literature

Dr. Sarmistha Choudhry, in her study "Invisible Activities of Rural Women", emphasizes the significant yet often overlooked economic contributions of rural women, particularly through household chores and agricultural work. To quantify their contribution, she assigned a monetary value of ₹350 per month for housewives' activities. While this approach highlights the importance of acknowledging women's labor, it has notable limitations. The fixed amount of

₹350 is arbitrary and does not reflect actual market rates for similar work, thereby underestimating the true economic value of their contributions. Additionally, this method overgeneralizes the workload, ignoring regional, seasonal, and cultural variations in women's responsibilities, which can vary widely. Consequently, the calculation may misrepresent their real contribution, limiting the study's applicability for policy-making. Future research can improve upon this by using market-based valuations, dynamic assessments that consider seasonal and local variations, and qualitative insights to capture the multifaceted roles of rural women more accurately [1].

Mahi Pal, in his chapter *Social Development of Rural Women in India*, views development as an outcome of economic, social, educational, and cultural betterment, stressing that women's empowerment has increasingly become central to this process. He highlights government initiatives such as the Women's Component Plan, introduced in the Seventh Plan and institutionalized in the Ninth Plan, which aimed to earmark at least 30 percent of funds and benefits for women across sectors. Pal underlines the importance of women's participation as members and chairpersons in local governments, noting that decentralized decision-making is essential for their upliftment. While his analysis is valuable for linking policy frameworks with women's social development, the discussion remains largely descriptive and programmatic. It does not engage deeply with empirical evidence on whether these policies have translated into substantial improvements in rural women's lives, nor does it critically address structural barriers like caste, patriarchy, and resource inequalities that continue to marginalize women even after decades of planned interventions [3].

J. Bhagyalakshmi, in *Rural Women's Empowerment: Miles to go*, highlights that despite several policies and programs aimed at women's upliftment, rural women continue to struggle with patriarchy, caste barriers, lack of education, and weak economic independence. She notes that initiatives such as the Women's Component Plan and other state welfare schemes have created some space for participation, yet empowerment remains limited without real control over resources and decision-making. Her work provides a strong policy critique, though it is more descriptive than empirical, stressing that India still has "miles to go" in ensuring genuine empowerment of rural women [2].

4. Research Gap

The difficulty of precise measurement is the main methodological flaw in studies on the economic contribution of housewives. The "opportunity cost method," which values a housewife's time by comparing it to what she could make working, and the "replacement cost method," which determines the cost of hiring others to perform comparable household chores, are the two primary methods. Due to their drawbacks and underestimations, both approaches make unpaid domestic labor less valuable and invisible in official statistics.

5. Objectives of Study

Through this study, we are able to understand that women's contribution is immense in society. This study gives a vivid view of how to evaluate the contribution of women in the economy, and it enables people to better understand how the economy can be valued more efficiently. This study will also raise questions regarding the factors or expenses that are excluded from national income, and whether they must be

included or valued in a different way. Further, it will pave the way for people to think from another perspective of economic society, and it will awaken people to realize that abstract economic calculations are not always an accurate and precise way to calculate national income. These are the insightful outcomes that a learner will receive from this study.

6. Methodology of Study

In research, both doctrinal and non-doctrinal methods are applied. The doctrinal method focuses on analyzing established legal documents and principles, whereas the non-doctrinal method collects data from surveys and interviews to study real-world implications. Together, they provide a comprehensive view combining theory and practice. To add on the tools of the research is using percentage and average methods.

7. Significance of Study

The significance of the study on "Housewives' Contribution towards the Economy" lies in recognizing the considerable contribution of women in various aspects, which has created an enormous impact on economic calculations. This leads to finding more precise ways of calculating the national income of a country. The study emphasizes the unpaid labor, household work, and invisible economic contributions of every woman in society, exposing the fact that the economy receives contributions from women that are often excluded in traditional measures. These are the vibrant significance of this study.

8. Limitation of Study

This study has certain limitations, since it was not made in broader spectrum and it was done with limited primary and secondary resources. This research mainly concern about the leakage in calculation part of national, though it concerns emotional factor (i.e. stress, intimacy)but it is not considered as a

Preliminary factor. Due to time constraints, the research may not cover some other aspects of this concept. These limitations may influence the accuracy and scope of the findings.

9. Hypothesis

H₁: Housewives contribute a significant measurable value to the national economy, and this contribution can be accurately estimated using a modified recurring deposit method that accounts for the market value of household tasks, their skill and effort, and the time value of money.

H₂: Housewives contribute a significant contribution to the economy, and this contribution cannot be measured accurately using a modified recurring deposit method.

10. Result and Discussion

Part-A: Doctrinal Research

This research is an eye opener one to approach an economical problem from other end. Since, so many economist gave so many propositions and theories but, every theory will go through their own criticism but it pave way for upcoming economist evolve a better model we will accept which will suit the contemporary world in a precise manner, like wise in this research we have found another way to calculate the Housewives contribution towards economy. Which will provide a more efficient way to calculate the monetary value of their contribution which will add on to the economy to uphold the national income in a standard manner.

Importance of Women in the Society:

This research highlights the crucial role of women in contributing to the economy and society. Beyond their economic participation, women often serve as the backbone of the family. Their tireless efforts in managing everyday responsibilities ensure the smooth functioning of society. Even a single day without their contribution would create disruption and imbalance. Tasks such as cooking, cleaning, washing, and caregiving, though often undervalued, form the foundation of household and societal stability. These contributions must be recognized, measured, and valued with accuracy and precision to fully understand the significant role women play in sustaining both family life and the broader economy.

Popular Methods to Calculate Housewives Contributions: Opportunity Cost Method

The Opportunity Cost Method measures the value of household work based on the income a homemaker gives up by not engaging in paid employment. For instance, if she could earn ₹350 per hour in the job market but spends that hour doing household chores, the forgone ₹350 represents the economic worth of her domestic contribution. However, this approach may overvalue the work of unskilled individuals or undervalue it for those with limited job experience.

Drawbacks:

This method faces challenges such as difficulty in measurement, variation in wage levels, exclusion of emotional or social benefits, and risks of over- or under-estimation.

Replacement Cost Method

The Replacement Cost Method assesses the value of household work by estimating how much it would cost to hire someone to do the same tasks. It includes two variations:

Generalist Approach: Uses the wage rate of a multipurpose domestic worker for all activities.

Specialist Approach: Applies the specific market rate for each task (e.g., cooking, childcare, cleaning).

The specialist method is considered more accurate since it aligns each activity with its respective market wage.

Drawbacks:

It can be hard to find suitable replacements, wage rates may vary, and it often overlooks the personal and emotional aspects of household care.

Time-Use Survey (TUS) Method

The Time-Use Survey Method estimates the value of unpaid household work by recording how much time people spend on different domestic activities. Respondents maintain a time diary or log, which is then categorized and assigned a value using wage rates like the minimum wage or replacement cost. The total value gives an estimate of household work's contribution to the Drawbacks:

The method depends on accurate self-reporting, may miss multitasking activities, and can be time-consuming to conduct.

Contingent Valuation Method:

The Contingent Valuation Method (CVM) is a survey-based approach used to estimate the economic value of unpaid domestic work performed by housewives. It measures individuals' willingness to pay (WTP) or willingness to

accept (WTA) compensation for household services such as cooking, cleaning, and childcare. By averaging these values and multiplying them by the total number of housewives, researchers can quantify their aggregate contribution to the economy. This method helps reveal the hidden value of women's unpaid labor and supports the inclusion of domestic work in national income accounts (Ironmonger, 1996; Hirway, 2012).

Drawbacks:

Results may be affected by subjective bias, hypothetical assumptions, and over- or under-valuation, which reduce accuracy.

Input-Output Method

The Input-Output Method values household work by examining both the inputs (time, skills, and materials used) and outputs (goods and services produced such as meals or childcare). By analyzing these, economists can estimate how unpaid household work contributes to national income.

Drawbacks:

It faces issues like data limitations, difficulty assigning monetary values, and neglect of non-economic aspects such as emotional effort or family bonding.

Recurring Deposit Method to Calculate Housewives Contributions:

$$HEC = \sum_{t=1}^T \left[\left((P_t(1+r)^{(T-t)} - TAX_t + \lambda_1 E_t + \lambda_2 I_t) \times \frac{1}{(1+\delta)^t} \right) \right]$$

Table 1: Sample Calculation (Year by Year)

Year (t)	P _t (₹)	Compounded Value (P _t (1+r) ^(T-t))	TAX _t	λ ₁ E _t	λ ₂ I _t
1	2,00,000	2,00,000* (1.04) ⁴ = 2,33,282	5,000	10,000	7,500
2	2,00,000	2,00,000* (1.04) ³ = 2,24,973	5,000	10,000	7,500
3	2,00,000	2,00,000* (1.04) ² = 2,16,320	5,000	10,000	7,500
4	2,00,000	2,00,000* (1.04) ¹ = 2,08,000	5,000	10,000	7,500
5	2,00,000	2,00,000* (1.04) ⁰ = 2,00,000	5,000	10,000	7,500

Housewife over 5 years. By using this formula calculation we can able to calculate the housewives contribution towards economics by including all factors which are not covered in usual method which gives best and accurate answer. This may be useful to include womens' contribution in economy.

Sum HEC= ₹2,36,265 + ₹2,19,529 + ₹2,03,543 + ₹1,88,628 + ₹1,74,204 = ₹10,22,169 over 5 years. This is the present value of one Indian housewife's household/economic contribution over five years, after adjusting for productivity growth, taxes, emotional and intimacy value, and present value.

Indian Housewives Unsung Contribution:

Their contribution was immense and incomparable. They are the pillars of our nation. Out of the entire female population, only a few are in formal employment, while the work of others is neither recognized nor valued. This research attempts to unveil a new method to calculate their work without omitting a single effort. The creation of this new formula will inspire researchers and scholars to explore other perspectives on where and how the gaps in the economy can be filled with insightful ideas and innovative solutions. This, in turn, will help us improve our system for evaluating

women’s contributions.

Related Case Laws:

Kirti and another v.Oriental Insurance Company Ltd

This case stands as a landmark judgment in evaluating compensation by recognizing the economic contribution of housewives. On April 12, 2014, a married couple, Vinoth and Poonam, met with a fatal accident caused by a car. Their two minor daughters and elderly father filed a compensation claim under Section 166 of the Motor Vehicles Act, 1988. The Motor Accident Claims Tribunal (MACT) awarded compensation, which was later reduced by the Delhi High Court. The key issues raised in this case were whether the notional income of deceased homemakers should be assessed for determining compensation and whether “future prospects” or expected income growth should be considered for homemakers and non-earning victims. The fairness of the High Court’s reduction of compensation was also questioned. In *Kirti and Another v. Oriental Insurance Company Ltd.* (2021), the Supreme Court of India ruled that compensation for motor vehicle accident victims must fairly recognize the economic value of homemakers’ unpaid work by assigning a notional income. The Court emphasized that future prospects, or expected income growth, should be taken into account even when there is no concrete proof of income. It set aside the High Court’s reduction of compensation, clarifying that claims and dependent status must be determined as of the date of the accident, and subsequent changes cannot affect the award. The judgment reinforced principles of fairness, equity, and the right to equality under Article 14 of the Constitution of India by ensuring that homemakers are treated on par with earning victims in awarding compensation to their dependents. This decision marked a significant step toward acknowledging and valuing the economic contribution of homemakers within legal compensation frameworks [4].

Arvind Kumar Pandey & Others S.V Girish Pandey & Another (2024)

The case of *Arvind Kumar Pandey & Others v. Girish Pandey & Another* (2024) is a significant reference in research focusing on motor vehicle accident compensation, particularly concerning the economic valuation of homemakers' unpaid labor. It reinforces the legal principle that homemakers should be attributed a national income no less than the minimum wage of a daily wage laborer, recognizing their vital contribution in the household and society. This judgment establishes a precedent for awarding fair and just compensation to dependents of homemakers in fatal accident claims, even when vehicles involved are uninsured. The case is closely aligned with the “*Kirti and Another v. Oriental Insurance Company Ltd.*”(2021) decision, both advancing the judiciary's recognition of unpaid domestic work as a valuable economic contribution. Incorporating this case in the discussions on compensation frameworks, gender justice, and equitable treatment under motor accident claim laws, highlighting evolving judicial attitudes towards non-market labor in legal compensation [5].

Lata Wadhwa and others v. State of Bihar (2001):

The case of *Lata Wadhwa and Others v. State of Bihar* (2001) 8 SCC 197 is a landmark judgment concerning compensation for victims of a tragic fire accident at Tata Iron and Steel Company. The Supreme Court emphasized the need to fairly assess compensation not only for the loss of earning members but also for non-earning family members such as homemakers

and children, recognizing their invaluable contributions to the family. It applied the multiplier method for calculating compensation while setting a benchmark amount of Rs. 36,000 per annum for homemakers, acknowledging their domestic work’s economic value. The judgment addresses state liability for negligence and stresses the importance of adequate compensation reflecting both material loss and the emotional trauma suffered by dependents. This decision has since guided courts in awarding just compensation in death and injury claims under motor vehicle and accident laws, highlighting both direct and indirect losses to families [6].

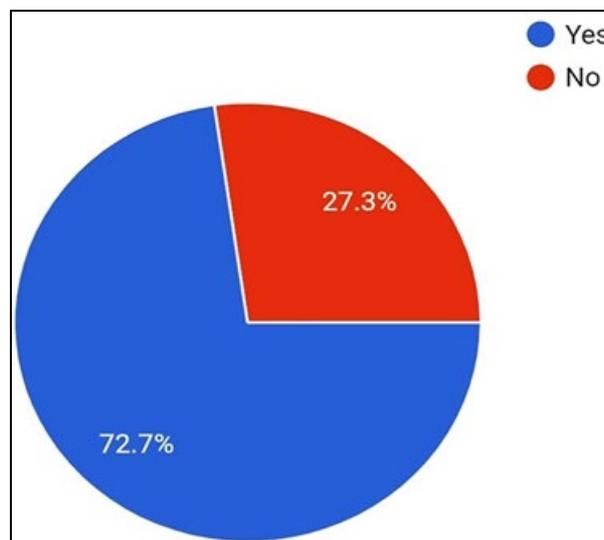
Part-B: Non Doctrinal Research

Non-doctrinal research, also known as empirical research, focuses on studying real-world data rather than relying only on laws or theories. It aims to understand social, economic, or behavioral aspects through observation, surveys, or interviews. In this study, a non-doctrinal research method was adopted to analyze women’s contribution towards the economy. Data were collected through a Google Form survey from 56 respondents, enabling the researcher to gather diverse opinions and real-life insights. This method helps to interpret practical realities and understand the socio-economic role of women beyond theoretical frameworks.

Table 2: The modified recurring deposit (RD) method accurately calculates the measurable economic value of household labour performed by housewives by incorporating market rate, effort and the time value of money.

Indicators	Yes	No	Total
Female	33(82.5)	11(73.3)	44(80)
Male	7(17.5)	4(26.7)	11(20)
Transgender	0(0.00)	0(0.00)	0(0.00)
Total	40(100)	15(100)	55(100)

Source: Primary data

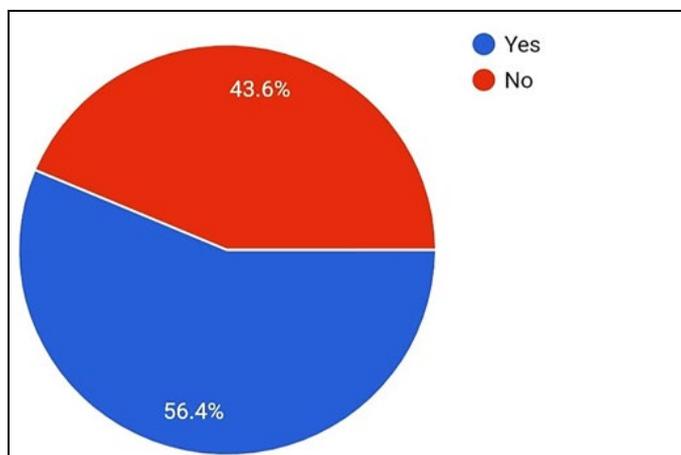


The table shows majority of females with 82.5 percentage and 17.5 percentage of males are agreed with the opinion of using recurring deposit method to calculate housewives contribution towards economy accurately and 73.3 percentage of female and 26.7 percentage of males are disagreed with the opinion of using recurring deposit method to calculate housewives contribution towards economy. From this we could able to understand majority of the people support the recurring deposit method.

Table 2: Housewives contribution towards the economy cannot be meaning fully quantified using Modified Recurring Deposit Method

Indicators	Yes	No	Total
Female	23(41.81)	21(38.18)	44(80.00)
Male	8(14.54)	3(5.45)	11(20.00)
Transgender	0(0.00)	0(0.00)	0(0.00)
Total	31(56.36)	24(43.63)	55(100.00)

Source: Primary data

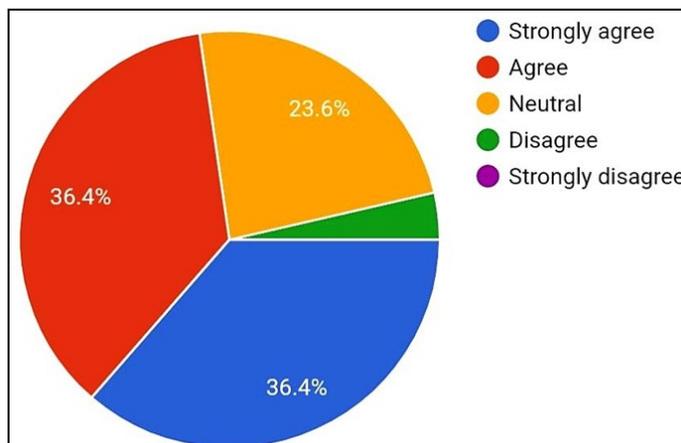


This table shows majority of females 74.19 percentage and 25.81 percent of males are agreed with opinion that Housewives contribution can't be quantified accurately by using recurring deposit method and 87.5 percent of people disagreed with the opinion that it can't be accurately quantified using recurring deposit methodology. From this we could able to understand that majority of people are disagreeing with the opinion of its inconsistency and believing recurring deposit method is suitable to calculate the Housewives contribution towards economy.

Table 3: Thought of including housewives contribution towards economy.

Indicators	Strongly agree	Agree	Neutral	Strongly disagree	Disagree	Total
Female	16(80)	16(80)	11(84.61)	1(50)	0(0.00)	44(80)
Male	4(20)	4(20)	2(15.39)	1(50)	0(0.00)	11(20)
Trans - gender	0(0.00)	0(0.00)	0(0.00)	0(0.00)	0(0.00)	0(0.00)
Total	20(100)	20(100)	13(100)	2(100)	0(0.00)	55(100)

Source: Primary data



The table summarizes the thoughts of respondents, categorized by gender, on including housewives' contributions towards the economy with options ranging from "Strongly Agree" to "Strongly Disagree." The majority of female and male respondents either "Strongly Agree." "Agree" that housewives should be included in economic contributions, with only a small proportion expressing "Disagree" or "Strongly Disagree." This suggests a broad consensus across genders in recognizing the economic value of housewives' work, supporting the argument for acknowledging their contributions in official economic statistics.

Testing of Hypothesis

H1: Housewives contribute a significant measurable value to the national economy, and this contribution can be accurately estimated using a modified recurring deposit method that accounts for the market value of household tasks, their skill and effort, and the time value of money. Table No 1 shows that the results of the survey indicate that the majority of the people agreed with the statement that the recurring deposit method is usable to measure the housewives contribution towards the economy.

Therefore, hypothesis is accepted. Hence, it is a null hypothesis (H0).

H2: Housewives contribute a significant contribution to the economy, and this contribution cannot be measured accurately using a modified recurring deposit method Table No 2 shows that the results of the survey indicate that the majority of people not accepting the statement that housewives' economic contribution cannot be calculated accurately using recurring deposit methods. The data collected and analyzed in the present study favors the hypothesis.

Therefore, hypothesis is accepted. Hence it is null Hypothesis (H0).

11. Conclusion

Housewives are the silent architects of the economy, contributing immense economic value through their unpaid labor, emotional management, and household productivity. This research has shed light on the long-overlooked economic worth of domestic work by introducing an innovative Recurring Deposit Method (RDM)—a realistic and measurable approach to valuing their contribution. Unlike traditional methods such as the opportunity cost or replacement cost methods, the RDM emphasizes consistency, growth, and long-term impact, treating each act of household labor as an investment that compounds over time, much like a recurring deposit in a bank. Through this approach, the economic significance of housewives is not merely acknowledged but quantified with dignity and precision. Recognizing their work as an integral part of national. Creation—where every unseen effort of a housewife counts, accumulates, and contributes to the true wealth of the nation.

12. Suggestions:

- i). Economical approach must focus on non-contributing factors of national income which can induce our national income to the next level.
- ii). Housewives contribution must be recognized in the process of national income. Since, it is not included due to calculation intricacies.
- iii). Women's efforts must be valued in a country's big contributing platform like national income will pave way to uphold and increase the women's contribution towards the economy.

- iv). Sprouting of various economic models from various researchers, scholars and academicians will open up new dimensions of economics.
- v). Government can take initiatives to bring out the other dimensions of economics by providing funds, policies and subsidies to scholars and research workers to do enormous levels of research and studies to enhance our economic standards.

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