



The EU Mutual Learning Programme in Gender Equality

Instruments to foster long-term paternal involvement in family work

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Towards shared parenting and active labour market participation: Action plan of the Estonian Government for the years 2016-2022

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1. The country context

1.1. Legal context

In Estonian legislation, the reconciliation of family and work is regulated by six laws: (1) Employment Contracts Act 2009 (§ 62: a parent can take child-care leave until the child's 3rd birthday with saving the place of work; § 60: fathers can take paternity leave from work); (2) Civil Service Act 2012, which regulates the organisation of civil service and the legal status of an official (§ 43, ref to the Employment Contracts Act leave regulations); (3) Health Insurance Act 2002 (§ 58: conditions for maternity benefit); (4) Gender Equality Act, 2004 and (5) Equal Treatment Act 2008 (regulating equal treatment of men and women as parents and right to protection against discrimination according to gender); and (6) Parental Benefit Act 2004 (see details below).

1.2. Long way towards the new government programme

The debate about parental allowance in Estonia started in the late 1980s as a 'mother's wage' with the idea to compensate mother's family care-work. Soon the debate calmed down and emerged again in 2002 as a potential pronatalist measure to motivate couples to have more children (Kutsar, 2005). The measure also intended to motivate women with high income to have babies through compensating their income loss.

The pronatalist aim of the planned measure increased social tensions and brought forward several dilemmas. First, why only mothers would be eligible, also fathers should have this option, thus, let us speak about *parental* benefit. Second, the paediatricians argued the time when both parents could be eligible: they campaigned for breast-feeding and demanded that at least the first six months of the child's life only mothers should be eligible. Third, the Swedish practice of 'daddy-month' empowered the ideas towards separate approach to mother's and father's eligibility. Moreover, if the parental benefit were purely pronatalist, it should be flat rate and universal. However, as pronatalist ideas would suggest, the parental wage should increase with every subsequent child (be child-focused). Yet, as a compensation of the income loss after the birth of the child, and to motivate highly educated career women (and wealthier couples) to have children, it should be income-related (labour-focused). But, if dealt as a type of mother's/father's 'wage', it would also be guaranteed to those who never worked, or who are economically inactive, as well as to young women in education (parent-focused). (Kutsar, 2005)

1.2.1. Family benefit scheme – a turn in family policy

The Family Research Unit at the University of Tartu developed *family policy conception* in 2003. It stressed the need for securing equal opportunities between genders in reconciliation of family and work and valuing father's and mother's contributions to raising children. The parental benefit scheme came into force on the 1st January 2004. The measure was dependent on the former wage and its upper and lowest fixed limits. The upper limit was equal to three times average socially taxed income, and the lowest to the minimum wage of previous calendar year. The latter was corrected each year and thus, from 2004-2008 the lower limit of the benefit increased by 75%, but the upper limit increased in the way the average salary increased. The benefit was eligible after the end of the maternity leave and lasted until the first birthday of the child. In case the mother did not work, she received the minimum level parental benefit from the day the baby was born, during eleven months. Fathers were eligible to the parental benefit after 6 months of the baby's life hereafter the parents could decide which parent and when will stay on the parental leave and thus receive the benefit. Mother (or father if staying on parental leave and taking the parental benefit) could work on the same time, but in case they earned more than the minimum benefit level, the benefit was reduced.

The instrument was a turn in family policy of that time: it was income-related and brought about high costs for the government, the latter keeping high hopes to its efficiency (to increase fertility and to support family-work balance). However, equal parenting as a possible division of childcare responsibilities between the parents did not achieve popularity. The mother was still the main carer of the child and the general public still named the "parental benefit" to "mother's salary".

1.2.2. Lessons learned and "cosmetic" revisions

After eight months the scheme had been in force, there were 600 births more than the previous years. The statistics showed that one third of the mothers did not have a work contract and one forth received income close to the minimum wage. (Kutsar, 2005). Thus, the measure promptly affected *income* of the couples with low-income and mothers who stayed out of the labour force. Võrk and Karu (2006) in their policy impact analysis found that the introduction of the parental benefit scheme nonetheless, did not cause a noticeable change in the number of births but it motivated high-income women to have their second or third child. The pick-up of the parental benefit by fathers was very low, around 1-1.5% until 2007.

From the 1st January 2006, the payment of the parental benefit was extended by three months, the mother's-only right to the benefit shortened to 70 days from the baby's birth, and by September 2008, the fathers' pick-up had increased to 3.5%. The study by Karu, Kasearu and Biin (2007) revealed that fathers' willingness to stay at home with a kid was dependent on several factors: in case a mother needs help at home or a mother wishes to return to work or to education. However, mothers had a problem with reducing their role of being the primary carer and fathers kept working even more intensively, or their willingness was restricted by the mother's-only months after the baby's birth. During this period about 4-6% of mothers in parallel to receiving the parental benefit also worked, and this was a slightly growing trend.

From the 1st January 2008, the parental benefit extended by four months making now 1.5 years from the baby's birth or 435 days after the maternity leave and/or maternity benefit. It was possible to use parental leave by parts but this flexibility did not spread to the parental benefit.

By 2008, it was clear that the parental benefit scheme was growingly generous: its total costs exceeded the costs of the rest of the benefits and allowances addressed to families. Nevertheless, it also brought increase in births (including women with higher social status) and in consecutive births. Moreover, the measure increased motivation of women to work before having the child, however, especially the women with higher incomes started to postpone the return to the labour market until the benefit ended. (Võrk, Karu and Tiit, 2009).

1.2.3. Fathers in focus

The Nordic model inspired the genesis of a parental benefit scheme. Still it has been gender-neutral in Estonia by addressing fathers to increase their participation in childrearing. Yet, fathers as active figures in family work gained systematic visibility in policy formation. In 2002, the Social Insurance Board started to pay additional 14 calendar days of childcare leave addressed to fathers; in 2008 called paternity leave with a duration of 10 working days. The paternity leave was paid flat rate until 2008. Due to the economic crisis, the payment stopped in 2009-2013. Since 2014 the paid paternity leave was re-established, as the father's income-related measure (similarly to the parental benefit, its upper limit was set to three times average wage level; all *working fathers* are eligible in the period of two months before or two months after the baby is born, picked up as a lump time or in parts).

The need for paternal leave was clearly formulated in the analysis of family policy measures of the Ministry of Social Affairs in 2009 (Karu and Pall, 2009) to value the father's role in the family. This recognition went in-line with campaigning 'active fatherhood' discourse in Estonian society. Even when the paternal leave scheme is relatively flexible, in 2016 approximately 67% of fathers (who were eligible) used it and the pick-up of the parental benefit was 9.3% (Social Insurance Board statistics); 17% of the respondents in Gender Equality Monitor 2016 believed this low level is due to the obstacles caused by employers.

1.2.4. Mother's labour force participation in focus

A study by Karu (2011) using registry data showed that when the father does take the parental leave, this does not always result in the immediate employment of the mother. Without some role reversal, the impact of parental leave could remain even more limited: the familisation of fathers had less probability of leading to the defamilisation of mothers, especially in the cases if the mother had been previously unemployed, of young age, or with four or more children.

1.2.5. Institutional childcare provision in focus

After regaining of the independent statehood in 1991, as the whole society required reconstruction, childcare policies were in a political vacuum until the institutional shift towards downscaling of central power took place with the Local Government Administration Act introduced in 1993. The Act obliged local governments to organise childcare within their respective territories. The services did not materialise, however. In 2014, the organisation of childcare services in Estonia gained priority in national political discussions affected by the launch of a new Operational Programme for Cohesion Policy Funds 2014–20, including incentives to improve the availability and variety of childcare services. The Pre-School Child Care Institutions Act came to force in 2014.

Estonia is broadening the opportunities for parents to choose between different types of childcare facilities; still the number of children in formal childcare is increasing

unequally across local areas (Hlepas, et al, 2016). Today the obligation to guarantee a municipal childcare place to every child from 1.5 to 7 years lies on local governments. From the 1st January 2016 by the change of the legislation, local governments can offer private childcare places instead of kindergarten places to meet the need for childcare place under age of three. In 2017, 95% of the children aged 3-6 used public childcare services and 28% in the age 0-2 (Statistics Estonia). As the parental benefit ends when the child turns 1.5 years old and also this is the age when the local government has to provide a childcare place, there are very few children in childcare before the age 1.5.

2. Policy debate: Fostering long-term paternal involvement in family work

2.1. Preconditions for drafting a new Parental Benefit Act

The Government Office in its report from 2011 (Riigikantselei, 2011) noted among other things, that father's involvement in child raising is the *father's right* and it is time to develop new schemes. The Ministry of Social Affairs drafted an Action Plan for Children and Families for the years 2012-2020 (Targad vanemad, 2011). It stressed positive parenting as a new political rhetoric. The Green Paper of the Ministry of Social Affairs (Peretoetuste, 2015) developed a model for parental benefit and parental leave schemes. The model followed the main principles of supporting the rights of the child; putting full focus on childcare with secured work and former income; offering flexibility and familial choice in using parental leave, supporting shared parenting and securing return to the labour market.

Since early 2000s, gender attitudes in the society had changed. According to the Gender Equality Monitor (2016) most respondents thought that the obligations related to taking care of the children should be distributed between both parents; 73% of men and 82% of women claimed that men should participate more than they do now in taking care of and raising the children. According to the European Social Survey 2016 Estonian data a vast majority (approx. 90%) of the respondents found that parents should equally share childcare of their children.

2.2. Government programme for 2016-2022

The aim of the Government Action Programme for 2016-2019 is to develop a flexible system of parental leaves and benefits that will offer choices to parents in order to reconcile work and family life, to support participation of both parents in the labour market and division of parenting tasks. Different types of parental leave and respective benefits will form one whole as a 'parental leave and benefit instrument' of which a part will be reserved for a mother and a part for the father. With this, opportunities of putting together work and childcare tasks will get broader.

- (1) At the time of receiving the parental benefit, the parent may raise his / her income from work up to half of the upper level of the parental benefit without the benefit reduction (came into force on the 1st of March 2018).
- (2) From the 1st of September 2019, childcare allowance will systematically become a part of the parental benefit scheme.
- (3) From the 1st of July 2020, the opportunity to stay on paternity leave will extend from 10 working days to 30 days and a father can receive the parental benefit separately or in parallel with the mother; as a lump or in parts. The eligibility will

not depend on father's working and the type of the work contract. Thus, the parental benefit will extend by one month (from 18 to 19 months) including the month addressed to fathers only.

- (4) From the 1st of July 2020, the parental benefit will be as a lump time or in monthly parts until the child's 3rd birthday.

Beyond 2020, the Government is planning to make the system even more flexible. From the 1st of April 2022, parents may stop and re-start receiving the benefit daily until the child turns three years old; 60 days of the benefit parents can share or use together. In the latter option, the overall period will shorten proportionally by the days used together. The scheme will affect also adoptive and foster parents, parents of reconstituted families and those living separately or in different countries.

The Employers' Confederation welcomes the new scheme but they warn of high flexibility. From the employers' perspectives, too much flexibility in choosing between work and care would complicate them planning the labour force. They have agreed on 30 days as the shortest time to inform the employer about the pick-up of the parental/paternity leave, and have it on mutual consent.

3. Transferability aspects

The Estonian parental benefit scheme is one of the most generous in Europe: it lasts relatively long and income-relatedness makes it costly for the state. It uncovers incentives of staying active on the labour market and spending time with child(ren). It follows principles of equal opportunities and non-discrimination by gender to some extent. Still there are reserves to make the system more flexible and simple that the government is planning to do in the coming years.

The German Parental Allowance Plus and Partnership Bonus schemes are new and they are developing towards higher flexibility. They follow similar principles as the Estonian system (in process). In Germany more often than in Estonia, women work part-time. Thus, in Germany the new scheme follows the trend of working part-time (with setting the upper limit of working hours) and staying part-time at home with the child. In Estonia, the working hours are not limited but the upper limit is set to the received income from working. Here is the first transferability point to discuss.

The Partnership Bonus scheme in Germany supports parents sharing their work and family time in parallel with "earning" more time to share work and family tasks. In Estonia the parental benefit can be used by one or another parent who stays on parental leave, and it cannot be shared or mixed (for instance not possible that mother stays on leave and the father who works picks-up the benefit). The parental leave and benefit system changes will gradually go to practice, which will provide parents with options to share and mix working and getting the parental benefit, though. Still, here is the 2nd transferability point to discuss.

4. Conclusions and recommendations

The Parental Benefit scheme in Estonia and Parental Allowance Plus and Partnership Bonus in Germany have similar policy aims: to support family-work balance and foster fathers' involvement in childcare. In both countries, the usage of the schemes has been low with slight increase tendency for fathers but mothers have kept their main carer's role.

Recommendations:

- Keep the system simple and flexible; consider shared caretaking/working of parents with granting these efforts.
- Recognise parents as active agents who make their own purposeful choices. However, due to several reasons, keep the system partly separately addressed to one and the other parent but still leave major part of it for parents to decide.
- Consider spreading the scheme beyond the traditional nuclear family to adoptive and foster parents, to reconstituted families and parents across the border.
- Monitor the impacts of incentives installed in the schemes for active labour force participation and shared parenting of both parents.
- Local governments/municipalities continue developing childcare market that is diverse by its forms, for instance with supporting private initiatives; prioritise quality of childcare provision and its accessibility for parents (childcare places available; cost is acceptable, etc.).
- Employers should be models of supporting work and family balance, promote sharing positive practices, be creative by recruiting new labour force (for instance stress that you will need a person to replace someone on father's leave).
- Consider new forms of work – be flexible for various types of employers and self-employed people.

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