



# The EU Mutual Learning Programme in Gender Equality

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# Lone parents and children – a conundrum for Estonian policy planners

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## 1. Introduction: the context

### 1.1. Lone parent households in Estonia

Lone parent households are widespread in Estonia. According to the most recent census (2011), about 7 % of all households and about one fifth of households with children are headed by lone parents. This is high for the European Union, similarly to the high cohabitation rate among Estonia's population and breakup of family unions through separation or divorce.

Almost 75 % of lone parents have one child. The majority of them are mothers (92 %) and only 8 % are lone fathers. It is important to note that 28 % of households with disabled children are headed by lone parents.

The profile of lone parents is rather specific in Estonia compared to the rest of Europe: they have relatively high educational attainment (40 % have higher education and only 13 % have basic education); they are not very young (only 8 % are below 25 years old), about half of them are never married but a majority of them had a cohabitant partner at the time of childbirth, and last not least, they are active on the labour market: 70 % are employed and only 9 % of lone parent households lack active breadwinners. However, it is important to mention that their work intensity is either noticeably higher than that of other household types (71 % of lone parent and 50 % of two-parent households have high work intensity with workload of 0.85-1.0 of full-time equivalent position), or the opposite – very low (16 % of lone parent and 10 % of two-parent households have 0.2 or lower workload) (Green Paper 2015; Statistics Estonia).

Compared to the households with two parents, a greater share of lone parent households are dependent on welfare: around 15 % of lone parent households and 12 % of households with two married or cohabiting parents receive welfare transfers as the main source of income. Moreover, 35.4 % of lone parents belong to the first income decile and over half, to the first or the second income decile, meaning that a large share of lone parent families live in either absolute or relative poverty or are at constant risk of poverty.

### 1.2. Children in lone-parent households

Every fourth child lives in a lone parent family in Estonia. Most often (93 %), children live with their mother and over half of them have no siblings. The older the children, the more likely they are to live with one parent (17 % of children aged under 3 and 29 % of children aged 12–17) (Laes et al 2013).

After the labour market opened to the European Union, work migration has extended across the border on economic grounds and a number of children who are

left behind by one parent (more often a father) has steadily increased. Recent research (Espenberg et al 2015) has shown that over 650 children (data from 2015) are left behind by both parents and they originate most often from lone parent households where mothers commute between work abroad and family in the homeland for economic reasons.

## 2. Policies for lone parents

### 2.1. Parents' own contributions

#### 2.1.1. *Child maintenance allowance*

The contribution paid to a lone parent by the parent living apart is based on mutual agreement of the parents or after the court decision (Family Law Act: both parents are responsible for maintenance of their child[ren]), the latter in case of parental disagreement – the other parent does not want to pay or is not able to pay maintenance. Responsibility for enforcement of payments lies with the Enforcement Service. According to Statistics Estonia, from 2012, 29.6 % of lone parent households with at least one dependent child received regular alimony and the receipt of maintenance had a positive effect of reducing the families' poverty risk.

### 2.2. State allowances

#### 2.2.1. *Single parent's child allowance*

This is a monthly allowance paid in the case of a child in whose birth registration no entry has been made concerning the father or an entry has been made on the basis of a statement by the mother or a child whose parent has been declared to be a fugitive. The allowance is very low (19.18 EUR) and is merely a cosmetic measure to reduce the lone parent household's poverty; however, keeping it low uncovers political purposes.

In 2013, an allowance was paid to 20,010 children in 16,632 lone parent households – both numbers are decreasing. However, the target group of the single parent's child allowance is rather small and does not cover all the lone parents who would need this support money; moreover, the allowance itself is too low to influence the economic performance of the household.

#### 2.2.2. *Conscript's child allowance or child allowance of person in alternative service*

This is a monthly allowance paid in the case of a parent in compulsory military service or alternative service. The conscript's child allowance or child allowance of person in alternative service is paid at five times the child allowance rate (47.95 EUR).

#### 2.2.3. *Survivor's pension*

This is paid to children who have lost one or both parents. The amount of the pension is dependent on the parent's former contribution with working in previous periods and varied from 6.25 EUR to 844 EUR per month in 2014 (Social Insurance

Board). The pension does not compensate, as a rule, the loss of income of a deceased person or reduce the poverty risk of most of the survivors.

#### *2.2.4. Maintenance allowance*

This is a political measure introduced in 2008 and is aimed to offer temporary support to lone parents at the times when another parent does not perform the maintenance obligation and the lone parent has petitioned a court to order payment of maintenance. The allowance is paid no longer than 90 days (3.20 EUR per child per day and 288 EUR was the maximum in 2008). Maintenance allowance is subject to income tax and must be repaid to the state budget by the parent in debt. Social practice has shown that often the court process lasts longer than 90 days and thus the maintenance allowance should be paid for a longer time.

To conclude, the state allowances are too low to lift lone parent families out of poverty, or not all lone parents are equally eligible (the case of single parent's child allowance), and they are of different amount, i.e. not harmonised.

## **3. Policy issues and debates**

### **3.1. Poverty**

In terms of lone parent households' poverty, Estonia stands out among the worst in Europe: 15.8 % lived in absolute poverty and 36.1 % in relative poverty in 2014 (Statistics Estonia). Compared to single fathers, single mothers' risk of falling into poverty is higher and their poverty is more permanent and severe. Moreover, the living conditions of lone parent families are the worst (Laes et al 2013).

While social transfers are rather effective in case of households with multiple children, helping to alleviate poverty, this is not the case for lone parents. The latter is not only the problem of living on one income, low maintenance support and the welfare support payable to lone parent families is low, but also an accumulation of several other factors.

### **3.2. Access to labour market and childcare**

The employment rate of lone parents is lower than that of parents from families with two parents, and parents of children below three years of age face a shortage of municipal kindergarten places. However, lone parents are not a specific target group by these issues.

According to government decision, as of 2015 more kindergarten places in municipal kindergartens have been opened; municipal child-minding service has been launched and equalisation of fees in different types of childcare facilities (public/private/third sector) has been introduced. The availability and accessibility of childcare services shows signs of improvement.

### 3.3. Income poverty and gender pay gap

The gender pay-gap in Estonia is the highest in Europe and in the context of high income poverty, the loss of a second income is highly likely to push the single female-headed family into poverty. The statistics demonstrate that the disposable income of the lone parent households is the lowest. The gender pay gap has been acknowledged as a policy issue, but due to numerous interrelated factors, the direct and indirect measures have not yet reached the expected effect.

### 3.4. Non-reported fathers and 'independent' mothers

There are about a thousand new cases of non-reported fathers at birth of the child every year. However, from the child's perspective, every child has a right to both parents, and also lone parenthood may appear to be a too heavy burden to manage for the mother in several aspects. This is acknowledged as a policy issue in Estonia and solution is seen in development of legislative measures to bring about a situation where all children with some exclusion would have reported fathers from birth.

### 3.5. Unshared parenting and 'irresponsible' fathers

According to statistics from July 2015, almost 13,000 children who live in lone parent families do not receive regular maintenance from the distant parent, and the problem has escalated. This makes up about 10,000 economically irresponsible fathers depriving their children of an annual total of about 10 million euros. The Parliament (*Riigikogu*) voted to ask the government to approve a bill to create a *state-funded maintenance assistance fund* which would take some financial pressure off lone parents who do not receive alimony from the child(ren)'s fathers. When passed in 2017, the fund would pay out 100 euros per month per child to single parents and in return demand the sum from the deadbeat parents.

### 3.6. Cohabitation, marriage and networks

Estonia stands out in Europe as one of the countries with the highest cohabitation rates. Cohabitation has been raised as a legal issue proactively with the purpose of, above all, regulating the economic relationships between the partners and give the adoption rights to adopt the partner's child thus making him/her responsible over the child's wellbeing. The Registered Partnership Act will come into force in 2016.

### 3.7. Parenting across borders

After accession to the European Union there are a number of children born to parents of different countries of origin. They make up a new source of lone parenting. In Estonia there are increasing cases of family breakups where one or another parent and the children suffer from mismatch of family laws or other legal regulations and welfare measures between their countries of origin. The problems of parenting across borders after the breakup are raised in Estonian media but have not reached the agenda of the policymakers yet.

### 3.8. The child in the focus

The expenditures on children are relatively higher in lone parent families compared to families with two parents and the highest in the case of a single child living with a parent (most often, a mother) (Sammul et al 2013). Besides effects of economy due to shared consumption, state support pay-outs are also less in the case of an only child. For instance the universal child allowance (proceeding from its pro-natalist nature) gives less support in the case of a family with an only child (the most common among lone parent families): a child allowance of 45 EUR is paid for the first and second child in a family and 100 EUR for every third and subsequent child (increased to these levels in 2015).

## 4. Transferability aspects

German and French policy learning papers highlight activation policies for lone parents who are out of the labour market, while in the Estonian political discourse, lone mothers' integration into the labour market has not been a specific issue. From the German paper, it can be learned that short-term project-based activation programmes aimed to lone parents cannot be sustainable however, be flexible tools for raising public awareness about the lone parents and their needs.

The German and French papers carry a message that helping lone parents is a multidimensional task and completing the task requires co-operation efforts from different actors and agencies. The French system is proactive promoting integration of those out of the labour market, including lone mothers, and as assorted with work incentives and rewards combined with job-search and integration support, the approach is complex. Moreover, the German paper argues whether measures targeted specifically at lone parents are the best way when there are also families among the rest who would need even more state support.

Gender equality has not been a special focus for seeking good practices in either country paper, but the German paper does ask whether the gender mainstreaming approach could be applied for lone parent support programmes. The Estonian paper adds the idea of child mainstreaming.

The French paper focuses on lone parents who do not receive sufficient support (or no support at all) from the distant parent and are targets of both social and employment policies, while the Estonian paper highlights the relationships between social policies, the status of a lone parent and the distant parent's contributions. The French system is rather generous and actively seeks new measures to support lone parents while Estonian policy actors admit low effectiveness of lifting lone parent families out of poverty; even so, they are not in favour of increasing and broadening the state support to all lone parents – not to support the broadening of (voluntary) single motherhood and the separated parent's unwillingness to pay the maintenance. Keeping in mind the child's right to both parents, they are searching for new solutions to curb single motherhood and empower shared parenting.

The French paper discusses the universalist approach to poverty alleviation from which lone mothers could benefit. Similar to the French system, there are several universal measures, such as subsistence benefit and needs-based family benefit to guarantee the minimum subsistence of the family in Estonia. However, as lone parent families are more often small, they cannot benefit from the Estonian pro-

natalist approach (i.e. for instance families with multiple children can collect more and higher amounts of social welfare money than lone parent families to lift them out of poverty).

As a good practice, in the French system a universalist approach is combined with its specific elements targeted at lone parent families. For instance equalising the income thresholds of entitlements by one and two parent families, lone parent families would more probably benefit from this regulation, as their incomes are lower. Estonia has moved slightly toward similar idea with the recently-introduced measure of calculation of the consumption units in social welfare cases: children are now considered the equivalent of a full (1.0) consumer in the household structure (it had been 0.8 since the early 1990s), which slightly increases their consumption power and raises the eligibility level for receiving social assistance.

Estonian practice has demonstrated that relative cost of a child living in a lone parent family is higher compared to other family types and the highest in the case of a single child. Proceeding from this, measures targeted at children from poor families could reach children living in a lone parent family. According to analyses, the increase of a universal child benefit in case of the first and second children would help to slightly alleviate poverty among lone parent families (as they more often have a single child).

*The policy areas where the transferability aspects could be sought are: (1) preventive measures against the trend of lone parenting; (2) economic coping and integration into the labour market of lone parents, and (3) promotion of shared and responsible parenting after a family breakup.*

Main dilemmas to solve are between: (1) universalist vs. targeted solutions, and their combinations; (2) reactive, proactive and prohibitive measures, and their combinations; (3) the target subjects – lone (custodial) parent, distant (non-custodial) parent or the child.

## 5. Recommendations and conclusions

The choice of policy measures, depending on policy strategies (aims and purposes), can be preventive (such as measures to promote shared parenting); proactive (supporting and activating lone parents' coping capacities); reactive (welfare support measures that are directly or indirectly targeted to lone parents and/or their child[ren]), and prohibitive (decrease the number of non-reported fathers).

The policies could follow multi-level governance principles and involve the EU, national, regional and local level policymaking. EU communications could address the most general issues, such as for instance the gender pay gap and mainstreaming of lone parents and children in laws, policies and implementation programmes; at the national level, the legal regulations and welfare systems could find functional solutions addressed to shared parenting and wellbeing of children, adherence to children's rights and safeguarding socio-economic coping of lone parent households through educational, employment and welfare schemes; at the regional and specifically at the local level, co-operation of different agencies could be pursued, including public and civic society partnership initiatives jointly funded from EU, national and local sources.



Some narrowly targeted allowances should stay with the aim to buffer the risks of poverty of the lone parent families that can be clearly defined: single never-married mothers and their child(ren) with non-reported fathers, and the children who have lost one or both parents through death.

Children's wellbeing and right to both parents and the right to be cared for by their parents should be taken seriously and measures to support shared and positive parenting should be promoted, e.g. through application of the father's right to childcare leave take-up which would influence fathers to grow into positive parental figures.

Pro-natalist family policy approach and welfare support schemes and universalist measures should be revised from the standpoint of how they function in the cases of the families in need with one or two children (as the most widespread among lone parent) and their effect of poverty alleviation of lone parent families.

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