



SPOTLIGHT ON PUBLIC POLICY

ESTONIA

EMPLOYMENT CONTRACTS AND FAMILY BENEFITS ACTS

Estonia offers some of the most extensive and well-compensated parental support policies in the world, including the longest fully paid maternity leave.¹ Work-life balance, particularly in relation to parents, features prominently in public debates. The country subscribes to a vision that a healthy and thriving population begins with individuals having freedom to balance their careers, hobbies and

families, and it supports this actively with legislation. At the same time, there is a recognition that more effort is needed to tackle stereotypical gender norms that place the burden of primary childcare on women, resulting in long interruptions to their career and other adverse impacts, such as the motherhood pay penalty and lower employment rates.

KEY FEATURES OF THE EMPLOYMENT CONTRACTS AND FAMILY BENEFITS ACTS

Under Estonian legislation, new mothers can take 140 days of fully paid leave, after which they can either take another 435 days of fully paid leave or share it with a family member.

The compensation is based on 100 per cent of average earnings calculated from the individual's employment in the previous calendar year without an upper limit on payments. This is funded by the Estonian national health care programme through general taxation.

From July 2020, paid paternity leave, previously 10 working days, has been replaced with a 30-day non-transferable parental benefit for the father, in addition to the 435-day parental benefit period.

There are numerous other benefits and allowances, including benefits and leave for adoption, a one-off payment at birth and additional support for families with more than three children, families with children with disabilities, and low-income families.

HISTORICAL CONTEXT

Estonia has historically led the world when it comes to supporting parents. In the 1950s, mothers were entitled to five weeks' leave rising, in 1973, to 112 days with full pay. From 1984, they could take additional parental leave until the child turned one and, in 1990, the Child Benefit

Act meant parental leave could be shared with another family member, usually the father.² This is now available until the child's third birthday, with the first 85 weeks fully paid.

SUPPORTING PARENTS

Under the Employment Contracts Act and the Family Benefits Act, new mothers can take 140 days of fully paid leave, after which they can either take another 435 days of paid leave or share it with a family member.^{3,4} The compensation is based on 100 per cent of average earnings, calculated from the individual's employment in the previous calendar year, without an upper limit on payments. This is funded by the Estonian national health care programme through general taxation. For mothers who did not work during the previous year but worked before the birth of the child, the minimum wage (€584 per month) is paid. After 85 weeks, the compensation moves to a standard €38 per month. This standard allowance is available to both working and non-working parents after the end of parental benefits, while parents who do not work receive €540 per month.⁵

Numerous other benefits and allowances are available to parents, including:

- Benefits and leave for adoption.
- A one-off payment at birth.
- Various monthly allowances.

There is also additional support for families with more than three children, families with children with disabilities, and low-income families.

CONTINUAL IMPROVEMENT

The Estonian *Strategy of Children and Families 2012–2020: Smart Parents, Great Children, Strong Societies*⁶ emphasizes the need for everyone to achieve a balance between their roles as parent, spouse and worker, and to have outside interests. Legislation continually evolves to support this. For example, from July 2020, paid paternity leave (previously 10 working days) has been replaced with a 30-day non-transferable parental benefit for the father (referred to as the 'daddy month'), in addition to the 435-day parental benefit period. Employed fathers are required to take this parental leave in order to receive the benefit. Those who are self-employed or unemployed, and fathers who are 'non-active' do not have the right to this leave, but will receive the monetary benefit.

In 2016, a new Family Benefits Act took steps to discourage child maintenance debtors.⁷ Some 16 per cent of Estonian children live with a single parent, generally the mother, and 97 per cent of absent parents fail to pay maintenance, an obligation under the Estonian Constitution towards those who need assistance. Under the act, the State pays maintenance on behalf of the absent parent and claims it back using stringent measures including publishing debtors' names and rescinding driving licences.

CHALLENGES

Although leave is meant to be used by both parents, uptake by fathers is low and childcare is still considered "women's work". However, in 2008, there was a fourfold increase in fathers taking paternity leave when compensation increased to 100 per cent of earnings, with 50 per cent of fathers taking the leave.⁸ Nevertheless, in 2017, 90 per cent of those taking parental leave were still women.⁹ In 2019, 58 per cent of fathers took paternity leave.¹⁰

of women with children compared to that of men. The 2012–2020 strategy aimed to reduce this gap from 38.6 to 33.0 per cent. Overall, however, the employment rate for women is high, and women make up around 48 per cent of the total labour force in the country.¹¹

Evidence shows that the Estonian gender pay gap, the largest in the EU at 25.6 per cent (2019)¹² could partly be attributed to long interruptions in women's careers.¹³

Parental leave is designed to minimize the disruption to mothers' careers, but there remains a significant gap in the employment rate

The Estonian Welfare Development Plan for 2016–2023 aims to target the root causes of the persistent gender pay gap and gender stereotypes, and includes plans such as raising awareness of gender-neutral recruitment, job evaluations and payment systems, as well as educational activities to promote girls' uptake of science and technology

subjects.¹⁴ More stringent measures, such as compulsory pay disclosures and labour inspections, were recommended by the United Nations Committee on Economic, Social and Cultural Rights, concluding observations on the third periodic report of Estonia in 2019.¹⁵

EUROPEAN LEGISLATION

Estonia, as a member of the European Union, is subject to the EU Work-life Balance Directive,¹⁶ which aims to improve families' access to family leave and flexible work arrangements. The directive entered into European Union law in August 2019. Member States have three years to adopt the laws, regulations and administrative provisions necessary to comply with the directive.

Measures under the directive include:

- Introducing paternity leave, with fathers entitled to take at least 10 working days of paternity leave around the time of birth of their child, compensated at least at the level of sick pay.
- Ensuring that two out of the four months of parental leave are non-transferable between parents and compensated at a level that is determined by the Member State.
- Introducing carers' leave, with workers providing personal care or support to a relative entitled to five days of leave per year.
- Extending the right to request flexible working arrangements to carers and working parents of children up to eight years old.

CONCLUSION

Estonian care policies allow parents to continue their careers and be involved in their child's critical development years.

Family-friendly policies which apply to both women and men, and affordable, good quality childcare play a key role in enabling mothers to return to work and in minimizing the gender pay gap. Equally important is tackling the stereotype of a woman's role as primary caregiver, for example, with measures such as the "daddy month", and reintegration programmes – training, retraining and upskilling.

The Government's current focus is on increasing flexibility in parental leave, for example more part-time working, so parents are not absent from the labour market for extended periods. This supports the country's ambition to make raising children an easy, supported and healthy process.

ENDNOTES

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