

Social welfare and family benefits in Estonia

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The project to monitor the impact of economic and social change on children in Central and Eastern Europe and the Commonwealth of Independent States (CEE/CIS), the MONEE Project, was initiated at the UNICEF Innocenti Research Centre in 1992. The project seeks to monitor, analyse and disseminate information on economic and social trends affecting children's rights and wellbeing in countries in the region. A key feature of the Project is a network of correspondents in the 27 National Statistical Offices (NSOs). On an annual basis these correspondents complete an extensive data template which in turn is used for calculating indicators, supporting research of the project and, in due course, being made publicly available as the TransMONEE database and in tables and graphs of the Innocenti Social Monitor.

For a number of years, each participating NSO prepared a Country Analytical Report based on extensive outline from UNICEF IRC on a different theme on the situation of children every year. These analytical reports have provided valuable input into the research at UNICEF IRC and, as significantly, have also served as important national documents on monitoring aspects of child wellbeing in the countries. Some of these Country Analytical Reports have been issued by the NSOs (in the national language) as part of their publication programme.

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Ministry of Social Affairs of Estonia

Social welfare and family benefits in Estonia

Commentary to the MONEE-statistics

2006

1. Social welfare

The purposes of social welfare are to provide assistance to persons or families in preventing, eliminating and relieving difficulties in coping, and to assist persons with special social needs in social security, development and integration into society.

The principles of social welfare are the observance of human rights, the responsibility of persons for their own and their family members' ability to cope, the obligation to provide assistance if the potential for a person or family to cope is insufficient and the promotion of the ability of persons and families to cope.

The Social Welfare Act provides the organisational, economic and legal basis of social welfare, and regulates the relations relating to social welfare.

The following individuals have the right to receive social services, social benefits and other assistance: permanent residents of Estonia; aliens lawfully residing in Estonia and refugees on Estonian territory. Every person on Estonian territory has the right to receive emergency social assistance.

Social services and social benefits are financed from the state budget, local government budgets, funds of legal persons and natural persons who voluntarily engage in social welfare and other funds.

The extent of state financing is specified by the state budget for the corresponding budget year. The following is financed from the state budget: expenditure relating to state social welfare management, state social programmes and projects, expenditure relating to the welfare of children, persons with special psychic needs and disabled people (rehabilitation services, partial compensation for prostheses and medical devices), expenditure relating to state social benefits, other expenses relating to performance of state social welfare duties and events.

Local government social welfare expenditures not financed from the state budget are covered from the local government budget.

Legal persons and natural persons who are voluntarily engaged in social welfare shall cover social welfare expenditure incurred by them from their own funds. At the same time, the state and rural municipality governments may enter into contracts for the provision of social welfare with legal persons and natural persons, and may allocate financial and material resources to them to cover expenditure relating to social welfare.

Revenue received from various funds, endowments, non-profit activities, donations and sponsorships and the funds of persons applying for social services or other assistance may be used to finance social welfare.

A fee may be collected from a person for social services provided to the person or his or her family. The amount of the fee collected depends on the extent and cost of the service and the financial situation of the person and family receiving the service. The collection of a fee from a person for social services is decided by the institution which provides or pays for the service.

Child welfare

Children's welfare is organised on the levels of both the state and local governments. For the administration of child welfare and the creation of an environment favourable for child development, local governments shall support children and persons raising children, co-operate with family members, other persons and agencies concerned; if necessary, appoint support

persons or support families for children or persons raising children; organise the guardianship of children and assist in arranging adoptions.

Separation from family

A child may be separated from his or her home and family for the provision of social services and other assistance only upon the concurrent presence of the following circumstances: deficiencies in the care and raising of the child endanger the child's life, health or development; other measures applied with respect to the family and child have not been sufficient or their use is not possible. The subsequent residence, care and raising of a child separated from his or her home and family shall be arranged by the rural municipality government or city government.

In most such cases, children are placed into the care of a welfare institution or into foster care. A local government shall, if necessary, provide assistance to a family from whom a child has been taken in order to help establish the prerequisite conditions for the child to return to the family.

Foster care

Foster care is care for a person in a suitable family of which he or she is not a member. In the case of foster care, the local government enters into a written contract with the caregiver and assesses the conformity of the caregiver and his or her family members with the requirements established in the Social Welfare Act.

Foster care is provided in the following cases: orphans and children left without parental care, whose parents are dead or declared missing by a court; a guardian has been appointed to the parents due to their restricted active legal capacity; the parents' parental rights have been revoked; a child has been taken from the parents without revoking their parental rights; the parents are in detention or a sentence in a penal institution.

Guardianship

Guardianship is established for the purpose of raising a child and for protection of his or her personal and proprietary rights and interests. Guardianship is established for a child whose parents are deceased, missing or with restricted active legal capacity, or are deprived of parental rights. Guardianship may also be established for a child who for other reasons is left without parental care.

A court decides on establishment of guardianship on the application of a guardianship authority or of the person who is placed under guardianship. A guardianship authority, mostly local government, arranges for guardianship.

Guardianship is exercised by a guardian appointed by a court. A guardianship authority proposes the appointment of a person as a guardian.

In selecting a guardian, the characteristics and capabilities of the person to perform the duties of guardian and the person's relations with the person for whom guardianship is established will be taken into consideration. The wishes of a child who is at least ten years of age or of a person with restricted active legal capacity will be considered in the appointment of a guardian. The wishes of a child younger than ten years of age will also be considered if the development level of the child so permits.

Adoption

The rights and duties between parent and child are created between an adoptive parent and an adopted child by adoption. Adoption is for an unspecified term and cannot be conditional. A child may be adopted only in the interests of the child. The same child may be adopted only by persons who are married to each other.

A person at least twenty-five years of age who is capable of raising the adoptive child, caring for the child and maintaining the child may be an adoptive parent. A court may also permit a younger adult to be an adoptive parent.

According to Family Law Act the following shall not be adoptive parents: a person who has been deprived of parental rights or from whom a child has been removed without deprivation of parental rights; a person who has been relieved of the duty of guardian due to inadequate performance of duties; a person with restricted active legal capacity.

In Estonia prospective adoptive family should participate on the Pride Training and additionally family should go through the home visits and interview with regional child protection worker, which will prepare the family for future role of adoptive family and which should prevent possible problems.

A person who does not reside in Estonia may adopt an Estonian citizen residing in Estonia only with the consent of the Minister of Social Affairs.

1.1 Statistical comments

The content and organisation of collecting statistical data on the welfare domain changed significantly in 2003. In addition to web-based data collection there was a transition from institution-centred data collection to service-centred data collection.

Children in institutions

The number of children in welfare institutions for children and young people has decreased in recent years. This is partly due to the fact that the statistical data for 2003-2004 do not include the SOS-children's and youth homes, and partly to a decrease in the number of pre-school and primary school aged children living in institutions.

Children in foster care

The number of children in foster care has remained relatively stable in recent years, while the number of new children taken into foster care has decreased. Most children are taken into foster care from biological families. The number of foster families has also dropped.

Separation from family

The statistical data on revoking parental rights and separating children from families show a decrease in the number of children whose parents have lost their parental rights, and an increase in the number of children who have been separated from their families by court order.

No definite trend can be pointed out with regard to adoptions, but the number of children put under guardianship has decreased in recent years.

2. Comments to tables

1. Children in dysfunctional families

There is no official statistics available. Ministry of Social Affairs of Estonia is planning at the moment to build a new electronic information system (STAR – Social Services Data Register) to gather data electronically. The new system is planned to open 2009. Then it will be possible to gather information about dysfunctional families.

2. Day/temporary centres

There are different day centres oriented for different age groups. There are few centres only meant for children. Mostly all day care centres can provide day care service for children. Data involve children who have received day care service in all day care centres.

There are no special temporary child care homes; usually they are shelters for children or shelters for mothers with small children and for pregnant women. Officially the service is called shelter's service. Statistics involves all children who have received this service.

3. Children deprived of parental care

Official statistics does not involve causes why the child is left without parental care nor by cause of establishment or by family situation. First data will be partly gathered in 2007.

4. Foster care/guardianship

Official statistics involves age groups 0-3 and 4-17, in some cases till 19, if the child is at school.

5. Adoptions

In the case of adoption service there are different age groups in official statistics – 0-2; 3-6; 7-14; 15-17.

6. Children in institutional care

Statistics by type of institutions is not comparable because of steadily changes in institutions types although the number of children in institutions is stable that's why it won't be presented. Other reason why there wont be differentiation by types of institution is the official principle, according to this there is only one child care service in institutions financed by the state and in official statistics there are presented whole state service data without differentiate institutions by types.

Also there are some differences in age groups – official statistics is gathered by the age groups of 0-2, 3-6, 7-14, 15-17, 18 and older.

In addition of state service there is alternative for parents of children with severe and profound disability to use the services of child care institutions on the basis of their application. In 2005 these children are involved in the number of children who left during the year public and non-public child care institutions.

7. Child care institutions

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3. Family benefits

The types and extent of state family benefits and the conditions under which they are granted are regulated by the State Family Benefits Act, which aims to partially cover the costs of care, raising and education in families with children. Family benefits are paid to permanent residents of Estonia and foreigners living in Estonia who have a temporary residence permit or who are in Estonia on the basis of Aliens Act.

Monthly family benefits are child allowance, childcare allowance, single parent child allowance, conscript's child allowance and foster care allowance as well allowance for families with seven or

more children. Lump sum family benefits include childbirth allowance, adoption allowance and the starting an independent life allowance. One family benefit is disbursed quarterly: allowance paid to families with three or more children or triplets. The school allowance is paid once a year. Family benefits are financed from the state budget. If a person is entitled to several types of family benefits, these benefits are determined and disbursed simultaneously.

Child benefits are calculated on the basis of the child allowance rate. Childcare allowances and allowances for families with seven or more children are calculated on the basis of childcare allowance rate. Both rates are established with the state budget for every budget year and the new rate cannot be lower than the existing rate. In 2006, the child allowance rate was 150 and the childcare allowance rate 1200 EEK. All benefits are coefficients of those rates.

Most of the family benefits have not grown in recent years, except the child allowance for the first and second child, which is paid at an equal rate (300 EEK a month) to all children in a family since 2004.

Since 2005, the quarterly benefit paid to families with three or more children was substantially increased. In 2001-2004 it was 150 EEK per child a quarter, but since 2005 it is paid on a differentiated basis depending on the number of children in a family (e.g. 375 EEK a quarter for every child in a family with 6 and more children).

Since 2005, one parent in a family with 7 and more children¹ is paid a benefit of 2400 EEK a month (twice the childcare allowance rate).

The aim of the Parental Benefit Act entered into force on 1 January 2004 is to compensate for income not received by stay-at-home parents in the first year of the child's life. The right to the parental benefit is granted to the parent, adoptive or foster parent, guardian or caregiver, who is a permanent resident in Estonia or a foreigner living in Estonia on terms of a temporary residence permit.

Payments of the parental benefit start at the end of the maternity benefit period – on the condition that the mother went on pregnancy and maternity leave at least 30 days before the presumed date of birth – and are paid until the end of a 455-day period from the beginning of the maternity benefit period. If the mother did not have the right to maternity benefit, the parental benefit is paid up to the time when the child turns 14 months old. The parental benefit is subject to income tax.

The size of the benefit is calculated according to the applicant's average monthly income in the previous calendar year (generally 100%).

Persons who did not receive any income taxed with social tax (e.g. not working students) are paid the parental benefit at the parental benefit rate (2200 EEK in 2004).

Persons whose average monthly income in the previous year was less than or equal to the minimum wages are paid the parental benefit in the amount of the minimum monthly wages (2480 EEK in 2004).

The maximum amount of the monthly benefit is three times the average monthly income taxed with social tax in the previous calendar year (19 191 EEK in 2006).

Since 2004, the state also started partial deletion the parents' study loans, deleting 50% of the study loan balance of a parent of one child, 75% of the study loan balance of a parent of twins and 100% of the study loan balance of a parent of triplets.

¹ 7 or more children eligible for child benefits (in eligible age).

50% of the loan balance is deleted upon the birth of every new child. The study loan is deleted from the day a person submits the application for the partial deletion of the study loan until the end of the double nominal study period calculated from the end of the person's studies, but not over a period exceeding 12 years. The study loan is not deleted after the end of the double nominal study period calculated from the end of the person's studies.

The state will partially delete the loan of one parent raising: a child under 1 year old in 2004; a child under 2 years old in 2005; a child under 3 years old in 2006; a child under 4 years old in 2007; a child under 5 years old in 2008.

Under the Holidays Act and the Working and Rest Time Act the following are financed from the state budget: the extended basic holiday (7 days) of minors and disabled persons (who have been granted a pension for incapacity for work or a national pension on the basis of incapacity for work), the additional childcare leave of one parent (3 or 6 days, depending on the number of children), and since 2002 the additional childcare leave for fathers (14 days). The father is entitled to additional childcare leave either during the mother's pregnancy and maternal leave or within 2 months from the child's birth. Since 2000, the daily pay for the additional childcare leave is 66 EEK.

A working person raising a child under 1.5 years of age is entitled to additional breaks for feeding the child – 30 minutes after every three hours. The additional breaks may be added up or used to shorten the workday. The employees are paid average wages for the additional breaks from the state budget.

Families are also paid a lump sum benefit for holding funerals on the territory of Estonia under the Funeral Benefit Act.

Statistical comments

Expenditure on family benefits from the state budget increased significantly in 1998 and 2000 due to enforcement of amendments or new acts, in 2000 especially on account of childcare allowance.

In 2001 the expenditure on family benefits from the state budget remained the same as in 2000 (due to a decrease in the number of children), although since the start of the year 2001 a quarterly allowance to families raising four or more children or triplets was introduced.

In 2002 the expenditure increased in connection with the rise of the allowance of the second child and of the foster care allowance as well as due to the increased number of recipients of the single parent's child allowance.

In 2003 the family benefits expenditure increased foremost due to an increase in the number of people receiving the childcare allowance and single parent allowance.

In 2004, the number of people receiving the childcare allowance decreased significantly in connection with the enforcement of the Parental Benefit Act, according to which no childcare allowance is paid for a child on whose birth parental benefit is paid. Parental benefit is also not paid simultaneously with the maternity benefit paid under health insurance scheme.

The main reason for the growth of family benefits in 2004 was the introduction of the parental benefit, due to which there was a steep increase in the total amount allocated for family benefits. The number of births is also growing from year to year and this will also have its effect.