

## Social protection in Montenegro for 2016 - 2017<sup>(p)</sup>

(ESSPROS methodology)

In 2017, EUR 723 974 480 was allocated for social protection benefits, representing 97.0% of the total social protection expenditures. In 2016, this amount was EUR 718 925 678, which representing 97.2% of the total social protection expenditures (Table 1).

By social protection function, the largest share in total expenditures for social protection benefits in 2017 was on function Old age i.e. 39.5%, while in 2016 was 38.6% (Table 2).

The share of total social protection expenditure in the Gross domestic product (GDP) of Montenegro in 2017 was 17.4%, which is a decrease by 1.3 percentage points compared to 2016 (Table 3).

By type of social benefits, in different function of social protection in Montenegro, the largest share allocated to cash benefits in both years, 72.4% was in 2016, while in 2017 this percentage was 70.5% (Table 4).

The share of expenditures for social protection benefits by function non means-tested, in total expenditures for social protection benefits, in 2016 and 2017, amounted 97.3%. The largest share of social protection benefits by function non-means tested in 2016 and 2017 refer to function Sickness/Health care, function Disability and function Unemployment (Table 5).

**Table 1. Total social protection expenditures and expenditures for social protection benefits by function, in Montenegro**

in EUR

	2016	2017(p)
<b>Total social protection expenditures</b>	<b>739 341 377</b>	<b>746 394 611</b>
<b>Total expenditures for social protection benefits, by function</b>	<b>718 925 678</b>	<b>723 974 480</b>
Sickness/Health care	188 879 395	200 861 589
Disability	59 470 559	62 836 009
Old age	277 277 681	285 933 765
Survivors	85 967 950	88 792 852
Family/Children	74 892 858	55 676 054
Unemployment	16 555 334	14 815 797
Social exclusion not elsewhere classified	15 881 900	15 058 414
<b>Administration costs</b>	<b>19 132 380</b>	<b>21 253 431</b>
<b>Other expenditures</b>	<b>1 283 319</b>	<b>1 166 701</b>

<sup>(p)</sup> The data for 2017 are preliminary

**Table 2. Share of each function in total expenditures for social protection benefits in Montenegro**

*in %*

	2016	2017(p)
<b>Total expenditures for social protection benefits, by function</b>	<b>100.0</b>	<b>100.0</b>
<i>Sickness/Health care</i>	26.3	27.7
<i>Disability</i>	8.3	8.7
<i>Old age</i>	38.6	39.5
<i>Survivors</i>	12.0	12.3
<i>Family/Children</i>	10.4	7.7
<i>Unemployment</i>	2.3	2.0
<i>Social exclusion not elsewhere classified</i>	2.2	2.1

**Table 3. Share of social protection expenditures and expenditures for social protection benefits (% in GDP)<sup>(1)</sup> in Montenegro**

*in %*

	2016	2017(p)
<b>Total social protection expenditures</b>	<b>18.7</b>	<b>17.4</b>
<b>Total expenditures for social protection benefits, by function</b>	<b>18.2</b>	<b>16.8</b>
<i>Sickness/Health care</i>	4.8	4.7
<i>Disability</i>	1.5	1.5
<i>Old age</i>	7.0	6.7
<i>Survivors</i>	2.2	2.1
<i>Family/Children</i>	1.9	1.3
<i>Unemployment</i>	0.4	0.3
<i>Social exclusion not elsewhere classified</i>	0.4	0.4

<sup>(1)</sup>Final data on gross domestic product (GDP), in current prices 2016 and 2017

**Table 4. Share of social protection benefits in cash and social protection benefits in kind in each function, in Montenegro**

*in %*

	2016		2017(p)	
	in cash	in kind	in cash	in kind
<b>Total expenditures for social protection benefits, by function</b>	<b>72.4</b>	<b>27.6</b>	<b>70.5</b>	<b>29.5</b>
<i>Sickness/Health care</i>	5.6	94.4	5.5	94.5
<i>Disability</i>	94.0	6.0	91.0	9.0
<i>Old age</i>	99.5	0.5	99.6	0.4
<i>Survivors</i>	94.7	5.3	94.4	5.6
<i>Family/Children</i>	97.2	2.8	95.4	4.6
<i>Unemployment</i>	93.8	6.2	92.4	7.6
<i>Social exclusion not elsewhere classified</i>	75.3	24.7	75.6	24.4

**Table 5. Share of social protection benefits in each function means-tested or not, In Montenegro**

*in %*

	2016		2017(p)	
	non means-tested	means- tested	non means-tested	means- tested
<b>Total expenditures for social protection benefits, by function</b>	<b>97.3</b>	<b>2.7</b>	<b>97.3</b>	<b>2.7</b>
<i>Sickness/Health care</i>	100.0	0.0	100.0	0.0
<i>Disability</i>	100.0	0.0	100.0	0.0
<i>Old age</i>	99.0	1.0	98.9	1.1
<i>Survivors</i>	99.6	0.4	99.6	0.4
<i>Family/Children</i>	99.6	0.4	98.5	1.5
<i>Unemployment</i>	100.0	0.0	100.0	0.0
<i>Social exclusion not elsewhere classified</i>	0.4	99.6	1.2	98.8

## METHODOLOGICAL EXPLANATIONS

### Sources and methods of data collection

The data presented in this publication are collected by gathering administrative data from reporting units. Social Protection in Montenegro Statistics are conducted in accordance with the Law on Official Statistics and Official Statistics System (Official Gazette of Montenegro No 18/12) and Annual plan of Statistical Surveys for 2019 (Official Gazette of Montenegro No 9/19).

### Coverage and comparability

The ESSPROS is a harmonized system that serves as an instrument for analysis and comparison of financial flows of social protection. The objectives of the ESSPROS are to provide comprehensive and coherent description of the social protection in the EU Member States and candidate states for the membership in the European Union, covering social benefits and their financing, focusing on international comparability and harmonising with other statistics.

### Definitions

**Social protection** comprises all interventions from public or private bodies intended to relieve households and individuals of the financial burden of a defined set of risks or needs, provided that there is neither a simultaneous reciprocal, nor an individual arrangement involved (intervention where the recipient of social protection is obliged to provide simultaneously something of equivalent value in exchange).

**Risks or needs** in the ESSPROS are expressed in this methodology as function, so the social protection schemes are listed below:

**Sickness/Healthcare** - implies income maintenance and support in cash in connection with physical or mental illness, excluding disability. Health care is intended to maintain restore or improve the health of the people protected irrespective of origin of the disorder.

**Disability** - implies support in cash or kind (except health care) in connection with the inability of physically or mentally disabled people to engage in economic and social activities.

**Old age** - implies income maintenance and support in cash or kind (except health care) in connection with old age.

**Survivors** - implies income maintenance and support in cash or kind in connection with the death of a family member.

**Family/Children** - implies support in cash or kind (except healthcare) in connection with the costs of pregnancy, childbirth and adoption, bringing up children and caring for other family members.

**Unemployment** - implies income maintenance and support in cash or kind in connection with unemployment.

**Social exclusion not elsewhere classified** - implies benefits in cash or kind (except healthcare) specifically intended to combat social exclusion where they are not covered by one of the other functions.

**Function of social protection** refers to the primary purpose for which social protection is provided, irrespective of legislative or institutional provisions.

**The observation unit** is the social protection scheme. According to the definition, the social protection scheme is a distinct body of rules, supported by one or more institutional units, governing the provision of social protection benefits and their financing.

**The expenditures of social protection** schemes are the following: social benefits, administration costs, transfers to other schemes and other expenditure.

**Social benefits**, as the most extensive social protection expenditure, consist of transfers, in cash or in kind, by social protection schemes to households and individuals to relieve them of the burden of a defined set of risks or needs.

**Social benefits** are divided into benefits with regard to whether they are means-tested or not. By type of social benefits can be regard to cash or in kind. Social benefits in cash relate to cash payments, while social benefits in kind relate to reimbursements and directly provided goods and services.

**Administration costs** means the costs charged to the scheme for management and administration thereof.

**Other expenditure** means miscellaneous expenditure by social protection schemes.

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