

Social protection in Montenegro for 2018 and 2019^(p)

(ESSPROS methodology)

In 2019, EUR 805 948 940 was allocated for social protection benefits, which is an increase by 3.7 percentage compared to 2018. Total social protection expenditures increased due to the increase in total expenditures for social protection benefits in the function Sickness/Health care, function Disability, function Old age, function Survivors and Unemployment.

In 2019, the amount of social protection benefits representing 97.0 percentage of the total social protection expenditure, which is at approximately the same level as in the previous year.

By type of social protection, in 2018, the largest share of the total social protection expenditure refers to function Old age EUR 305 818 199, i.e. 39.1%, while function Sickness/Health care EUR 239 765 694 i.e. 30.7%. The third group by the amount of expenditures on social protection benefits was function Survivors, amounted EUR 92 052 883, i.e. 11.8%, followed function Disability and function Family/Children.

Compared to the previous year, in 2019, an increase of expenditures in total expenditures for social protection benefits were in the function Sickness / Health care (by 1.0 percentage points) and function Unemployment (by 0.7 percentage points). On the other hand, expenditures for the function Old age decreased (by 0.7 percentage points), function Family/Children and function Social exclusion not elsewhere classified (by 0.3 percentage points), function Survivors (by 0.2 percentage points) and function Disability (by 0.1 percentage points). Data are presented in Table 1.

The share of the total social protection expenditures in the Gross domestic product of Montenegro (GDP) in 2019 was 16.3%, which is a decrease by 0.4 percentage points compared to 2018. Despite the nominal growth of total social protection expenditures in 2019, the share of social protection expenditures in the Gross domestic product of Montenegro (GDP) in 2019 decreased, due to the nominal growth of gross domestic product in 2019 by 6.2%. Data are presented in Table 2.

In all social protection functions in Montenegro, excluding the function Sickness/Health care, the largest share of all social protection benefits was allocated to cash benefits. Data are presented in Table 3.

The largest share of social protection benefits by function non-means tested in 2018 and 2019 refer to function Sickness/Health care, function Disability and function Unemployment. Data are presented in Table 4.

^(p) The data for 2019 are preliminary,
The data for 2018 are final

Table 1. Total social protection expenditures and share of each function in total expenditures for social protection benefits, in Montenegro

| | 2018 | | 2019 (p) | |
|---|--------------------|--------------|--------------------|--------------|
| | in EUR | in % | in EUR | in % |
| Total social protection expenditures | 777 023 374 | 100.0 | 805 948 940 | 100.0 |
| Total expenditures for social protection benefits, by function | 754 396 488 | 97.1 | 781 999 345 | 97.0 |
| <i>Sickness/Health care</i> | 224 431 844 | 29,7 | 239 765 694 | 30.7 |
| <i>Disability</i> | 64 103 687 | 8.5 | 66 077 092 | 8.4 |
| <i>Old age</i> | 300 108 501 | 39.8 | 305 818 199 | 39.1 |
| <i>Survivors</i> | 90 631 927 | 12.0 | 92 052 883 | 11.8 |
| <i>Family/Children</i> | 31 925 020 | 4.2 | 30 776 671 | 3.9 |
| <i>Unemployment</i> | 24 126 361 | 3.2 | 30 167 098 | 3.9 |
| <i>Social exclusion not elsewhere classified</i> | 19 069 149 | 2.5 | 17 341 709 | 2.2 |
| Administration costs | 21 316 091 | 2.7 | 22 725 072 | 2.8 |
| Other expenditures | 1 310 795 | 0.2 | 1 224 523 | 0.2 |

Table 2. Share of social protection expenditures and expenditures for social protection benefits (% in GDP)⁽¹⁾ in Montenegro

in %

| | 2018 | 2019(p) |
|---|-------------|-------------|
| Total social protection expenditures | 16.7 | 16.3 |
| Total expenditures for social protection benefits, by function | 16.2 | 15.8 |
| <i>Sickness/Health care</i> | 4.8 | 4.8 |
| <i>Disability</i> | 1.4 | 1.3 |
| <i>Old age</i> | 6.4 | 6.2 |
| <i>Survivors</i> | 1.9 | 1.9 |
| <i>Family/Children</i> | 0.7 | 0.6 |
| <i>Unemployment</i> | 0.5 | 0.6 |
| <i>Social exclusion not elsewhere classified</i> | 0.4 | 0.4 |

⁽¹⁾ Final data on gross domestic product (GDP), in current prices 2018 and 2019

http://www.monstat.org/uploads/files/Nacionalni%20racuni/BPD/Annual%20GDP%202019_eng.pdf

Table 3. Share of social protection benefits in cash and social protection benefits in kind in each function, in Montenegro

in %

| | 2018 | | 2019(p) | |
|---|-------------|-------------|-------------|-------------|
| | in cash | in kind | in cash | in kind |
| Total expenditures for social protection benefits, by function | 70.2 | 29.8 | 68.9 | 31.1 |
| <i>Sickness/Health care</i> | 8.4 | 91.6 | 7.5 | 92.5 |
| <i>Disability</i> | 91.1 | 8.9 | 89.7 | 10.3 |
| <i>Old age</i> | 99.7 | 0.3 | 99.7 | 0.3 |
| <i>Survivors</i> | 94.8 | 5.2 | 94.7 | 5.3 |
| <i>Family/Children</i> | 92.0 | 8.0 | 92.6 | 7.4 |
| <i>Unemployment</i> | 93.6 | 6.4 | 91.6 | 8.4 |
| <i>Social exclusion not elsewhere classified</i> | 80.7 | 19.3 | 78.6 | 21.4 |

Table 4. Share of social protection benefits in each function means-tested or not, in Montenegro

in %

| | 2018 | | 2019(p) | |
|---|------------------|--------------|------------------|--------------|
| | non means-tested | means-tested | non means-tested | means-tested |
| Total expenditures for social protection benefits, by function | 97.2 | 2.8 | 97.4 | 2.6 |
| <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 | 99.1 | 0.9 |
| <i>Survivors</i> | 99.6 | 0.4 | 99.6 | 0.4 |
| <i>Family/Children</i> | 97.6 | 2.4 | 97.5 | 2.5 |
| <i>Unemployment</i> | 100.0 | 0.0 | 100.0 | 0.0 |
| <i>Social exclusion not elsewhere classified</i> | 11.5 | 88.5 | 5.3 | 94.7 |

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 47/19) and Annual plan of Statistical Surveys for 2021 (Official Gazette of Montenegro No 7/21).

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.

Published by the Statistical Office of Montenegro (MONSTAT)
81000 Podgorica, IV Proleterske 2, Phone (+382) 20 230-811; Fax (+382) 20 230-814

The release prepared by:

Natasa DJUROVIC

contact@monstat.org
