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## Social protection in Montenegro (*ESSPROS methodology*)

**2019 – 2020 <sup>1)</sup>**

In 2020, EUR 948 042 871 was allocated for social protection benefits which is an increase by 16.2 percentage compared to 2019. During the COVID pandemic, the total social protection expenditures increased in all functions of social protection.

In 2020, the amount of social protection benefits representing 97.3 percentage of the total social protection expenditure, which is which is an increase of 0.2 percentage points compared to the previous year.

By type of social protection, in 2020, the largest share of the total expenditure for social protection benefits refers to function Old age EUR 312 961 208, i.e. 33.9%, while function Sickness/ Health care EUR 308 687 172 i.e. 33.5%. The third group by the amount of expenditures on social protection benefits was function Survivors, amounted EUR 92 698 344, i.e. 10.1%, followed function Unemployment, Disability and function Family/Children.

Compared to the previous year, in 2020, an increase of share of the expenditures in total expenditures for social protection benefits were in the function Unemployment (by 6.2 percentage points) and function Sickness / Health care (by 1.9 percentage points). On the other hand, a decrease of share expenditures in total expenditures for social protection benefits were in the function Old age (by 4.7 percentage points), function Survivors (by 1.6 percentage points), function Disability (by 1.2 percentage points), function Family/ Children (by 0.5 percentage points) and function Social exclusion not elsewhere classified (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 2020 was 22.6%, which is an increase by 6.1 percentage points compared to 2019. Nominal growth of Gross domestic product of Montenegro (GDP) in current prices in 2020 was (-15.5%), while the total social protection expenditures in 2020 increased by 16.2%. 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 2019 and 2020 refer to function Sickness/Health care, function Disability and function Unemployment. Data are presented in Table 4.

In 2020, EUR 955 788 854 was allocated for social protection receipts, which is an increase by 14.5 percentage compared to 2019. Data are presented in Table 5.

<sup>1</sup> The data for 2020 are preliminary while the data for 2019 are final

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

	2019		2020(p)	
	in EUR	in %	in EUR	in %
<b>Total social protection expenditures</b>	<b>815 955 690</b>	<b>100.0</b>	<b>948 042 871</b>	<b>100.0</b>
<b>Total expenditures for social protection benefits</b>	<b>792 093 376</b>	<b>97.1</b>	<b>922 243 241</b>	<b>97.3</b>
Sickness / Health care	250 630 626	31.6	308 687 172	33.5
Disability	66 077 092	8.3	66 277 173	7.2
Old age	305 818 199	38.6	312 961 208	33.9
Survivors	92 052 883	11.6	92 698 344	10.1
Family/Children	30 776 671	3.9	31 070 500	3.4
Unemployment	29 396 197	3.7	90 995 198	9.9
Social exclusion not elsewhere classified	17 341 709	2.2	19 553 646	2.1
<b>Administrative costs</b>	<b>22 725 072</b>	<b>2.8</b>	<b>24 806 943</b>	<b>2.6</b>
<b>Other expenditures</b>	<b>1 137 242</b>	<b>0.1</b>	<b>992 686</b>	<b>0.1</b>

**Table 2.** Share of social protection expenditures and expenditures for social protection benefits (% in GDP)<sup>2)</sup>, in %

	2019	2020(p)
<b>Total social protection expenditures</b>	<b>16.5</b>	<b>22.6</b>
<b>Total expenditures for social protection benefits</b>	<b>16.0</b>	<b>22.0</b>
Sickness/ Health care	5.1	7.4
Disability	1.3	1.6
Old age	6.2	7.5
Survivors	1.9	2.2
Family/ Children	0.6	0.7
Unemployment	0.6	2.2
Social exclusion not elsewhere classified	0.4	0.5

<sup>2)</sup> Final data on gross domestic product (GDP), in current prices 2019 and 2020

[http://www.monstat.org/uploads/files/Nacionalni%20racuni/BPD/2020/Annual%20GDP%202020\\_eng.pdf](http://www.monstat.org/uploads/files/Nacionalni%20racuni/BPD/2020/Annual%20GDP%202020_eng.pdf)

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

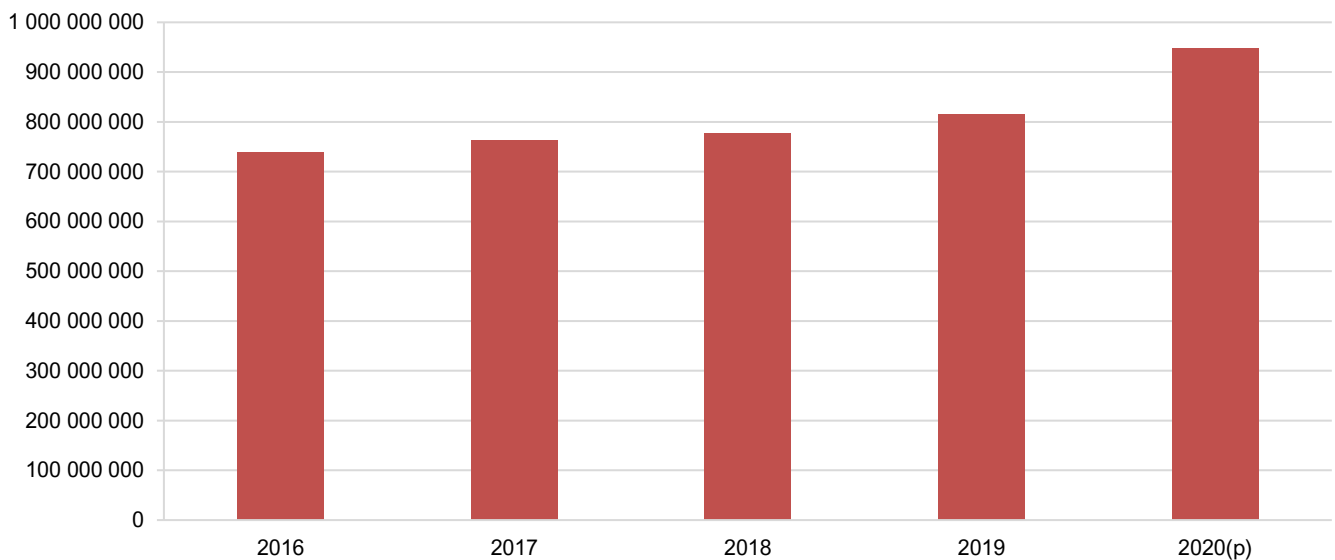
	2019		2020(p)	
	in cash	in kind	in cash	In kind
<b>Total expenditures for social protection benefits</b>	<b>67.9</b>	<b>32.1</b>	<b>66.9</b>	<b>33.1</b>
Sickness/ Health care	7.1	92.9	7.7	92.3
Disability	89.7	10.3	89.8	10.2
Old age	99.7	0.3	99.7	0.3
Survivors	94.7	5.3	94.6	5.4
Family/ Children	92.6	7.4	93.5	6.5
Unemployment	91.4	8.6	98.5	1.5
Social exclusion not elsewhere classified	78.6	21.4	80.7	19.3

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

	2019		2020(p)	
	non-means tested	means tested	non means tested	means tested
<b>Total expenditures for social protection benefits</b>	<b>97.4</b>	<b>2.6</b>	<b>97.6</b>	<b>2.4</b>
Sickness/ Health care	100.0	0.0	100.0	0.0
Disability	100.0	0.0	100.0	0.0
Old age	99.1	0.9	99.0	1.0
Survivors	99.6	0.4	99.6	0.4
Family/ Children	97.5	2.5	98.5	1.5
Unemployment	100.0	0.0	100.0	0.0
Social exclusion not elsewhere classified	5.3	94.7	7.5	92.5

**Table 5.** Total social protection receipts by type, in EUR

	2019	2020(p)
<b>Total social protection receipts</b>	<b>834 823 719</b>	<b>955 788 854</b>
Social contributions	557 191 083	547 444 596
General Government contributions	276 474 209	406 367 926
Other receipts	1 158 428	1 976 332

**Graph 1.** Total social protection expenditures, in EUR

## METHODOLOGICAL NOTES

### 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 2022 (Official Gazette of Montenegro No 2/2022)

### 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 total expenditures of social protection** include: total expenditures for social protection benefits, administration costs, and other expenditure.

**Total expenditures for social protection benefits** include social protection benefits in functions Sickness/Healthcare Disability, Old age, Survivors, Family/Children, Unemployment and Social exclusion not elsewhere classified.

**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.

**Total social protection receipts by type** include social contributions, general government contributions and other receipts.

**Social contributions** s mean the costs incurred by employers on behalf of their employees or by protected persons to secure entitlement.

**General government contributions** comprises the cost to general government of running government-controlled non-contributory schemes and financial support provided by general government to other resident social protection schemes.

**Other receipts** means miscellaneous receipts by social protection schemes. Data are published according Statistical Release Calendar.

In the tables in the Release, it is possible that the sums of subcategories do not match due to the rounding of numbers to one decimal place. In the excel tables that accompany the Release, although formatted to one decimal place, numbers with all decimals can be seen.

When using the data, state:

"Data source: Statistical Office - MONSTAT"

*More data, as well as detailed methodological notes can be found in the section: [Social protection](#)*