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Social protection in Montenegro (*ESSPROS methodology*)

2020 – 2021 ¹⁾

In 2021, EUR 948 959 016 was allocated for social protection benefits which is an increase by 0.1 percentage compared to 2020. During the COVID pandemic, the total social protection expenditures increased in functions Sickness/Health care, Old age, Survivors and Family/Children.

In 2021, the amount of social protection benefits representing 97.5 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 2021, the largest share of the total expenditure for social protection benefits refers to function Sickness/Health care EUR 330 684 645, i.e. 35.7% while function Old age EUR 319 703 956 i.e. 34.6%. The third group by the amount of expenditures on social protection benefits was function Survivors, amounted EUR 96 487 668, i.e. 10.4%, followed function Disability, Unemployment and function Family/Children.

Compared to the previous year, in 2021, an increase of share of the expenditures in total expenditures for social protection benefits were in the function Sickness/Health care (by 2.2 percentage points), function Old age (by 0.7 percentage points), function Family/Children (by 0.5 percentage points) and function Survivors (by 0.3 percentage points). On the other hand, a decrease of share expenditures in total expenditures for social protection benefits were in the function Unemployment (by 3.6 percentage points), and function Social exclusion not elsewhere classified (by 0.2 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 2021 was 19.2%, which is an decrease by 3.5 percentage points compared to 2020. Nominal growth of Gross domestic product of Montenegro (GDP) in current prices in 2021 was 18.4%, while the total social protection expenditures in 2021 increased by 0.1%. 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 2020 and 2021 refer to function Sickness/ Health care, function Disability and function Unemployment. Data are presented in Table 4.

In 2021, EUR 957 239 311 was allocated for social protection receipts, which is an increase by 0.1 percentage compared to 2020. Data are presented in Table 5.

¹ The data for 2021 are preliminary while the data for 2020 are final

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

	2020		2021(p)	
	in EUR	in %	in EUR	in %
Total social protection expenditures	948 152 864	100.0	948 959 016	100.0
Total expenditures for social protection benefits	922 353 235	97.3	925 185 802	97.5
Sickness / Health care	308 687 172	33.5	330 684 645	35.7
Disability	66 558 010	7.2	66 373 421	7.2
Old age	312 961 208	33.9	319 703 956	34.6
Survivors	92 698 344	10.1	96 487 668	10.4
Family/Children	31 070 500	3.4	36 447 974	3.9
Unemployment	90 824 354	9.8	57 710 796	6.2
Social exclusion not elsewhere classified	19 553 646	2.1	17 777 341	1.9
Administrative costs	24 806 943	2.6	22 322 646	2.4
Other expenditures	992 686	0.1	1 450 568	0.2

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

	2020	2021(p)
Total social protection expenditures	22.7	19.2
Total expenditures for social protection benefits	22.0	18.7
Sickness/ Health care	7.4	6.7
Disability	1.6	1.3
Old age	7.5	6.5
Survivors	2.2	1.9
Family/ Children	0.7	0.7
Unemployment	2.2	1.2
Social exclusion not elsewhere classified	0.5	0.4

²⁾ Final data on gross domestic product (GDP), in current prices 2020 and 2021
http://www.monstat.org/uploads/files/BDP/2021/Annual%20GDP%202021_eng.pdf

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

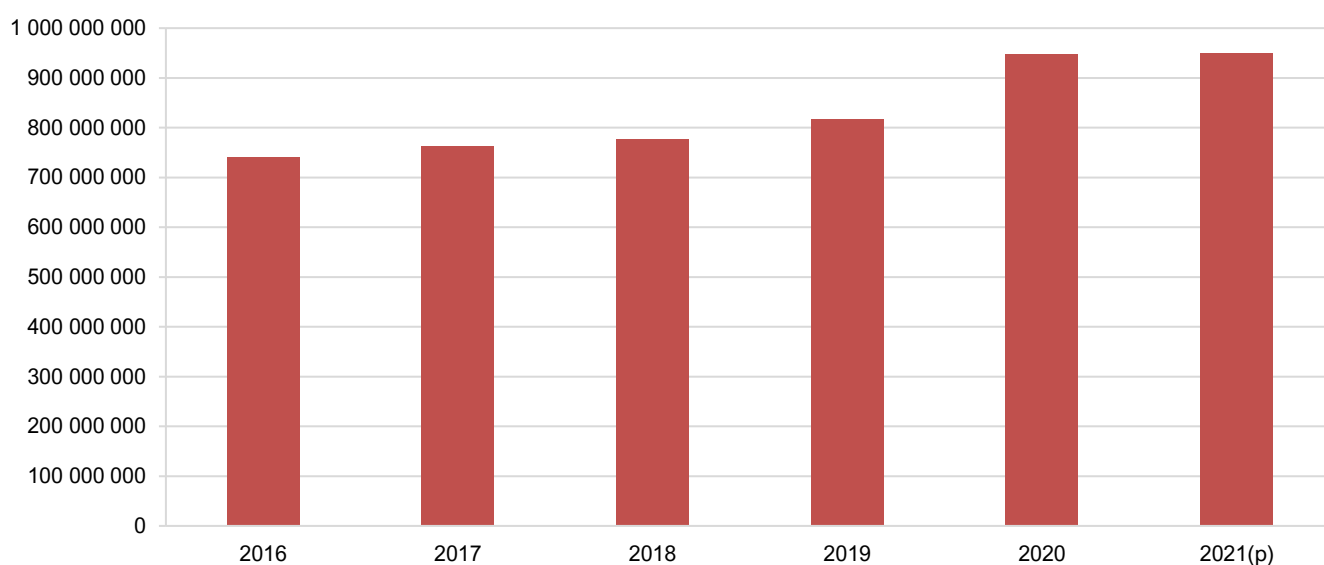
	2020		2021(p)	
	in cash	in kind	in cash	in kind
Total expenditures for social protection benefits	66.9	33.1	64.8	35.2
Sickness/ Health care	7.7	92.3	8.2	91.8
Disability	89.7	10.3	88.3	11.7
Old age	99.7	0.3	99.7	0.3
Survivors	94.6	5.4	92.8	7.2
Family/ Children	93.5	6.5	94.4	5.6
Unemployment	98.5	1.5	99.3	0.7
Social exclusion not elsewhere classified	80.7	19.3	78.2	21.8

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

	2020		2021(p)	
	non-means tested	means tested	non means tested	means tested
Total expenditures for social protection benefits	97.6	2.4	97.0	3.0
Sickness/ Health care	100.0	0.0	100.0	0.0
Disability	100.0	0.0	100.0	0.0
Old age	99.0	1.0	98.9	1.1
Survivors	99.6	0.4	99.6	0.4
Family/ Children	98.5	1.5	98.6	1.4
Unemployment	100.0	0.0	100.0	0.0
Social exclusion not elsewhere classified	7.5	92.5	9.3	90.7

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

	2020	2021(p)
Total social protection receipts	955 898 174	957 239 311
Social contributions	547 553 916	568 277 079
General Government contributions	406 367 926	388 171 434
Other receipts	1 976 332	790 798

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 2023 (Official Gazette of Montenegro No 5/2023)

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](#)