

Small States Social Policy

Your country
MONTENEGRO

Created by: PhD Ugljesa Jankovic
Presented by: PhD Ugljesa Jankovic

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Social policy - Welfare/Well-being model

- ❑ What kind of welfare system exists in the country?
 - ❑ Montenegro has mixed Bismarckian-Beveridgean system which includes social insurance and social protection. The social insurance system includes several branches, for example health insurance, pension and disability insurance and temporary unemployment insurance.
 - ❑ It is legacy of Yugoslavian model which was a rather "generous" welfare system.
 - ❑ Numerous social and economic problems that came about as a result of the process of transition have prevailed up to the present-day, despite certain optimistic expectations.
 - ❑ The state is the key actor of social policy. Very small influence of civil society and private sector.
 - ❑ The influence of foreign models: Bismarckian model. But basically it is transition model of welfare system.

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Social policy – social (re)distributions

- ❑ Approach to social security mechanisms:
 - ❑ universal (pensions, health insurance, unemployment insurance – everyone is participating, based on the status of working and position on the labour market)
- ❑ Forms of social (re)distributions, regulations and rights in system of social protection:
 - ❑ selective – users of social and child protection have obligation to prove their social deprivation (administrative checking of socio-economic status)

Social policy – social (re)distributions

- Public social expenditure as a percentage of GDP in Montenegro

Social and Child Protection in Montenegro	2016 (% of GDP)	2016 (% of total costs)	2017 (% of GDP)	2017 (% of total costs)
Total costs for social and child protection	18.7		17.4	17.4
Total costs for social benefits by functions	18.2	100	16.8	100.0
Sickness / health care	4.8	26.3	4.7	27.7
Disability	1.5	8.3	1.5	8.7
Old age	7.0	38.6	6.7	39.5
Successors	2.2	12.0	2.1	12.3
Family / children	1.9	10.4	1.3	7.7
Employment	0.4	2.3	0.3	2.0
Social exclusion non/registration in other categories	0.4	2.2	0.4	2.1

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Social policy - Social protection beneficiaries

- ❑ In the past ten years, Montenegro has conducted a comprehensive reform of the system of social and child protection. The initial impetus for reform was driven by the UN agencies in the country (UNICEF, UNDP), and through significant financial support provided by the European Union (IPA 2010, 2014), resulting in consolidation of the legislative and strategic frameworks with international obligations and standards.
- ❑ These reforms resulted in the creation of a system of social welfare – the social card (Social Welfare Information System - SWIS). In practice, the system of social and child protection in Montenegro is perceived as a narrower area of social security.
- ❑ The system is targeted mostly on those most in need, therefore lacking a more universal approach that can be found in EU countries.
- ❑ The system of social and child protection in Montenegro provides for access to two general groups of rights in this area, as follows: the right to access material benefits, i.e. financial support, and the right to access social services, for persons that meet the conditions defined in the Law on Social and Child Protection.

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Social policy - Social protection beneficiaries

□ The Law on Social and Child Protection prescribes different types of social and child protection services:

1. Support for the life in the family (daily stay, help in the house, living with support, daily centre, personal assistance, interpretation and translation into sign language and other support services in the community),
 2. Counselling-therapy and social-educational services (counselling, therapy, mediation, SOS telephone and other services with the objective of overcoming situations of crisis and improving family relations),
 3. Accommodation (in family placement – fostering, family placement, in an institution, in a daily centre – refuge and other types of accommodation),
 4. Services of urgent intervention (provided for the purpose of ensuring safety in situations that endanger life, health and development of beneficiaries and they shall be provided 24 hours a day).
- The network of service providers in Montenegro includes centres for social work and institutions for social protection. There are thirteen centres for social work in Montenegro. In addition, twenty institutions for social protection

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Social policy - Poverty and Social Exclusion

- ❑ “National Poverty Rate”: 8.6% below absolute poverty in Montenegro (North of the country 10.3%);
- ❑ Poverty is more prevalent in larger households, as well as among older (65 or above), among unemployed or retired. Households in which an adult female or a person over the age of 65 is the sole or main income provider, are at a particular risk of poverty. Essentially, it is age, education, status and type of employment that drive the risk of poverty
- ❑ Prior to the outbreak of the COVID-19 pandemic, children and youth were at greatest risk of poverty, with a quarter of all youth between 18 and 24 being exposed to this risk, alongside non-qualified persons (41.6%), unemployed persons (47.5%), persons living in the northern regions (40%) and rural areas (35.6%) (MONSTAT, 2019);
- ❑ The population in the north of the country has limited access to public services, while women and the elderly have a considerably lower income. Unemployment rates in the North are two times greater than the national average, reflecting growing regional development disparities. Due to persisting gender-based disadvantages, women are vulnerable and lack political and economic empowerment, including protection against family violence (UNDP, 2020).

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Social policy - Poverty and Social Exclusion

Dispersion around threshold of the poverty risk in Montenegro					
Source: Monstat, 2019.					
	2013	2014	2015	2016	2017 ^(p)
The poverty risk if the threshold					
40% (40% median)	16.2	11.9	13.5	12.9	11.9
50% (50% median)	21.9	17.4	19.9	18.7	17.2
70% (70% median)	33.4	32.5	31.9	31.2	30.4

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Social policy – Most vulnerable groups

Who are they?

- RE population (Roma and Egyptian's): the most excluded category of Montenegro population because of education, absolute poverty rate, limited participation on work market, cultural factors, ect.
- People with disabilities (PWD) – social inclusion and participation on market.
- Old age people - negative effects to pension system as a result of demographic trends of aging population in Montenegro.
- Youth people – employment and live conditions.

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Social policy - Unemployment

- The program of reform of social policy and employment policy (2015-2020) have been identified a number of specific problems affecting the socio-economic stagnation Montenegro i.e. low employment and high inactivity of the labour force; regional differences in the labour market; under-employment of local labour force; insufficient promotion of entrepreneurship; high levels of undeclared work; and youth unemployment (special emphasis on highly educated).
- In relation to employment is also the issue of harmonization of the education system with the needs of the labour market; disadvantage in the access to education for marginalized groups; low participation of all citizens in lifelong learning; continuously improving the quality of education at all levels; lack of practical training in educational programs; and low interest in education in short supply at the level of vocational education.

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Social policy - Unemployment

MONTENEGRO (Monstat, 2019)	Total	Man	Woman
2013	19.5	20.0	18.8
2014	18.0	17.8	18.2
2015	17.6	17.7	17.3
2016	17.7	18.2	17.1
2017	16.1	15.4	17.0
2018	15.2	15.2	15.1

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Social policy - Unemployment

- ❑ Prior to the outbreak of the COVID-19 pandemic, there were 35.466 people registered as unemployed in Montenegro.
- ❑ In April, May and June 2020, unemployment was on a steady increase, and the number of unemployed grew by 6.687 people.
- ❑ According to the Employment Agency of Montenegro (EAM), the unemployment rate in Montenegro has grown by 18.5% compared to June last year (2019). The biggest share of unemployment is in the sector of tourism and hospitality, with 7.06%, followed by unemployment in the area of humanities and social sciences, with 4.52% (EAM, 2020).
- ❑ Long-term unemployment your country, unemployment of vulnerable groups;

Unemployment of PWD and young people

- ❑ Unemployment of persons with disabilities. According to data from the Employment Agency of Montenegro, unemployment in Montenegro towards the end of 2019 was at 16.29%, with 32.802 people registered as unemployed (MONSTAT, 2019).
- ❑ In the past few years, various strategies and action plans have been devised to propose new measures and instruments for reducing unemployment. Youth is a primary point of focus in these strategies (as a particularly risky category of the unemployed), as well as people with disabilities (who fall in the category of hard-to-employ, and the category of users of financial help).
- ❑ The policy of employing the aging population has not yet been fully affirmed in Montenegro.

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Social policy – Child support

- How is child support organized in the country?
- Several financial measures are in place, such as:
 - Material support for new-born children;
 - Material support for children ;
 - Assistance for food in pre-school facilities ;
 - Care support and benefits;
 - Refund of earnings during pregnancy leave and maternity leave, including for persons engaged in entrepreneurial activities;
 - Assistance for parents of new-born children ;
 - Refund of earnings to employer for employees who engage in working half-time ;
 - Earnings for persons who engage in entrepreneurial activity half-time

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Social policy – Response to the COVID-19 pandemic

- ❑ Creating an adequate model of sustainable financing of the system of social and child protection in Montenegro in the coming period is one of the key challenges for the system.
- ❑ The growing needs of the citizens, the increase in the number of users of services and benefits, and everyday risks associated with the virus result in an increasing need for intervening through financial support.
- ❑ The problem is further complicated by the fact that the system for social and child protection in Montenegro is mainly based on financial support for the population that meets the requirements for this type of support, whereas social services play are somewhat marginalised in the system.
- ❑ Such a configuration of the system can provide temporary relief in terms of mitigating the risk of social marginalisation, but cannot provide a long-term strategy for protecting the population from slipping into the poverty zone.