

# Montenegro: lifetime benefit reintroduced for mothers with three or more children subject to certain conditions

ESPN Flash Report 2022/60

JADRANKA KALUDJEROVIĆ – EUROPEAN SOCIAL POLICY NETWORK

SEPTEMBER 2022

*In 2015, Montenegro introduced a monthly lifetime allowance for mothers of three or more children. Two years later, the Constitutional Court declared this benefit unconstitutional and the Parliament invalidated it except (for a limited period) for beneficiaries who had left their job to receive it. In December 2021, as a result of actions by mothers who used to receive the benefit and some political parties, the Parliament adopted a law to compensate mothers who were initially entitled to it.*

#### LEGAL NOTICE

*This document has been prepared for the European Commission. However, it reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained*



## Description

In 2015, Montenegro introduced a monthly lifetime allowance for mothers of three or more children, through an amendment to the Law on Social and Child Protection. This benefit was in place between 1 January 2016 and June 2017. Two categories of mothers (with at least three children) received it: first, those who had worked for between 15 and 25 years and whose monthly allowance amounted to €336 (i.e. 70% of the average net salary); and second, those who had been registered with the Employment Bureau for at least 15 years and who received a monthly allowance of €192 (40% of the average net salary). Around 22,000 women exercised this right and became beneficiaries (Ministry of Labour and Social Welfare, 2017).

However, in April 2017, the Constitutional Court declared that these amendments were discriminatory and therefore unconstitutional. As a result of the Court's decision, the payment of the benefit was stopped from June 2017. In June 2017 the Parliament adopted the Law on the Execution of the Decision of the Constitutional Court. With this law, former beneficiaries who had left their job to get this benefit could continue to receive it according to the following rules: those who were between 55 and 61 years old at the time of the adoption of the Law were entitled to the benefit until retirement; those who were between 45 and 54 years old were entitled to receive it for a period of 5 years; and those who were between 33 and 44 years old could receive it for a period of 3 years. Those who were unemployed continued to receive unemployment benefits, and

those who were retired continued to receive a pension.

On 29 December 2021, the Parliament adopted the Law on Compensation of Former Users of Benefits Based on the Birth of Three or More Children (Parliament of Montenegro, 2022). This Law only aims to compensate any loss of benefits: it does not provide benefits to new beneficiaries. The amount of the allowance remains the same - i.e. €336 or €192, depending on the category of beneficiaries.



## Outlook and commentary

When the Law on Social and Child Protection was introduced in 2015, around 22,000 (21,742 in December 2016) mothers acquired this right (Ministry of Labour and Social Welfare, 2017), which was far above the Government's plans and projections. The total amount of benefits to be paid was €60 million per year, which was higher than the total of all other social benefits. This amount was significantly above the €15 million originally planned for this benefit in the Government budget. In addition, the decision had a negative impact on employment: around 17,000 women in employment applied for this benefit and stopped working.

This was not at all foreseen by the Government when adopting the Law. According to the projections carried out after the implementation of the Law in 2017, there would be between 1,200 and 1,400 new beneficiaries annually, which would represent an increase of around €4

million in budget expenditure (Milan Sekulović, 2018). Since the entire Law was adopted without a detailed analysis, its effects were very surprising for the Government and very negative for the budget. The decision of the Constitutional Court was therefore welcomed by the Government as it reduced the pressure on the budget.

However, some political parties in their campaigns leading up to the 2020 elections promised to reintroduce this benefit. Also, some mothers continued to fight for their rights and petitioned the European Court of Human Rights in Strasbourg, against the decision of the Montenegrin Constitutional Court. The European Court rejected the petitions (the last one was rejected in July 2022), and these decisions may be considered final, but the political parties kept their promise, and the new Law was adopted by the Montenegrin Parliament in 2021.

According to the latest data about the new Law (Ministry of Labour and Social Welfare, 2022), in May 2022, 15,864 mothers received the compensation on the basis of the new law, for a total amount of €3.7 million. In addition to these

beneficiaries, around 1,500 women continued to receive the benefit in accordance with the 2017 Law on the Execution of the Decision of the Constitutional Court.

With the recent Law on Compensation, the situation of mothers with three or more children who applied for this benefit is now settled after a long and difficult five years. The Law does not apply to new beneficiaries, but it enables those who acquired the right to the benefit in the past to receive it again – as a lifelong allowance. The budget expenditure is determined by the number of already registered beneficiaries, which will therefore decrease over time (reflecting changes in the age composition and deaths), thus enabling proper budget planning in the future.

This situation provides a concrete example of the importance of evidence-based decision-making, which is crucial when it comes to social policy, as it often affects the lives of the most vulnerable individuals.

## Further reading

Parliament of Montenegro (2022), Law on Compensation of Former Users of Benefits Based on the Birth of Three or More Children

Ministry of Labour and Social Welfare (2022), Monthly Report on Social Benefits

Milan Sekulović (06.01.2018), Benefits for mothers were not sustainable

Ministry of Labour and Social Welfare (2017), Report on Work and the Situation in the Administrative Areas of Competence of the Ministry of Labour and Social Welfare for 2016

## Author

[Jadranka Kaludjerović](#) (Institute for Strategic Studies and Prognoses, Montenegro)

*The Flash Reports are produced by the European Social Policy Network (ESPN) established in 2014 to provide the European Commission with independent information, analysis and expertise on social policies in 35 European countries. The topics covered are identified by ESPN experts in the light of significant developments in their countries, or in some cases suggested by the Commission or the Flash Reports' editorial team (Anne-Catherine Guio, Eric Marlier and Slavina Spasova). The ESPN is managed by LISER (Luxembourg Institute of Socio-Economic Research), APPLICA and the OSE (European Social Observatory). More information on the ESPN: <http://ec.europa.eu/social/main.jsp?catId=1135&langId=en>.*

Quoting this report: Kaludjerović, J. (2022), *Montenegro: lifetime benefit reintroduced for mothers with three or more children subject to certain conditions*, ESPN Flash Report 2022/60, European Social Policy Network (ESPN), Brussels: European Commission.