

Montenegro

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Name of the Partner: Marziyeh Taeb, Central European University

Policy Framework	<p>Europe Now program (since 2022)</p> <p>Stabilization and Association Agreement between the European Communities and the Republic of Montenegro</p> <p>Montenegro's Program of Accession to the European Union 2022 – 2023</p> <p>Public Administration Reform Strategy 2022-2026</p> <p>Montenegro's Country Program Framework (CPF) 2022–2027</p> <p>National Employment Strategy 2021-2024</p>
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General situation across all policy areas

Main challenges across all policy areas	<p>Social planning at the local level is still under development because the government's focus is mostly on the central regions.</p> <p>Data collection processes need further improvement in terms of data availability and quality for evidence-based policymaking.</p> <p>Insufficient financial and human resources limit the capacities of public authorities to measure outcomes and evaluate the impact of the implemented social policies.</p>
Main approaches to address challenges across all policy areas	<p>The government introduced requirements for evidence-based strategic planning of public policies in 2018.</p> <p>Adopting the law on local self-government to enhance cooperation between the state and municipalities and empower local bodies to address the needs of the local population.</p> <p>Improving administrative data collection and the availability of new datasets such as the Statistics on Income and Living Conditions and Social Card information.</p> <p>Receiving funds and grants from sources such as The European Investment Bank (EIB) and the European Investment Fund (EIF) to develop long-term monitoring and evaluation standards.</p> <p>Outsourcing monitoring and evaluation of social policies to external consultants and international organizations.</p>

Social policy specific situation

Significant social trends	<p>Unemployment rate increased from 15.2% in 2019 to 17.9% in 2020. In 2020, 26.6% of young people were neither in employment nor in education and training.</p> <p>Structural constraints continue to bar minorities' participation in the labour market, especially Roma and Egyptians (RE). Over 90% of the registered members of RE population are persons with no occupation and education.</p> <p>The share of elderly people below the at risk of poverty threshold remains high (about 15% in 2021). 44,000 pensioners receive a pension lower than the minimum wage.</p>
Key challenges specific to social policy	<p>Limited economic diversity and lack of new quality jobs because the economy of Montenegro is heavily reliant on tourism, construction, and overall services.</p> <p>Inadequate financial situation, language barriers, discrimination in schools are the main reasons for the low level of education among the RE population, which leads to limited employment opportunities for them.</p> <p>Pension system deficit. Only about 42% of the working age population contributes to the pension system.</p>
Main approaches to address social policy challenges	<p>Self-employment loans, adult education, and incentives for employment and entrepreneurship are the main measures to tackle unemployment in Montenegro.</p> <p>Increase in budget allocations specifically for the needs and priorities of Roma and Egyptians at the local level.</p> <p>Reform of the Law on Pension Insurance. A new retirement age (66 for men and 61 for women) and a new pension calculation formula was introduced in 2020.</p>
Target groups	<p>Youth</p> <p>Minorities</p> <p>Elderly and pensioners</p> <p>Employees</p> <p>Employers</p>

Practice example	The following section provides a practice example of the region under scrutiny.
Name of the good practice	Transition From School to Work Through Dual Vocational Education and Training (VET)
Policy areas	<input checked="" type="checkbox"/> Employment and labour market policy <input checked="" type="checkbox"/> Social inclusion <input checked="" type="checkbox"/> Education
Description of the practice	<p>The dual model of VET contains different types of programmes alongside the existing school-based track, designed to provide work-based learning to students in VET training.</p> <p>In this three-year programme, students firstly sign an individualized contract with an employer and then each year spend practical training days in a company. They spend one day, two days or three days per week in a company based on which year of the programme they are. Since it is the employers' responsibility to organize, manage, and evaluate practical training in dual education, students gain work experience and skills relevant to the labour market needs. Data show that this approach facilitates students' transition from school to work and solves the problem of mismatch between labour market demands and jobseekers' skills. Approximately 60% of students who have pursued dual VET have found a job, while the placement rate for students who follow the traditional school-based system is about 30%.</p> <p>The sectors where Dual VET is carried out are tourism, trade and hospitality, machinery, and metal processing, electrotechnics, and services.</p>
Governance & funding	<p>The Ministry of Education and the Centre for VET are the two institutions in charge of implementing dual education in Montenegro.</p> <p>The Chamber of Economy, trade union representatives, and vocational schools have a role in planning and developing the programme and are also involved in monitoring and evaluating it.</p> <p>In 2018/19, the budget of the Ministry of Education included EUR 262,000 for dual education. This budget, combined with employer contributions, covered the cost of the students' salaries, while employers were also exempted from paying students' pensions and health insurance.</p>
Innovation	A cost-sharing mechanism between government and businesses makes dual VET attractive to both students and employers. Students' remunerations in the first and second years of the programme are funded from the budget of the Ministry of Education, while remuneration in the third year is paid by the employer. This system encourages employers to participate in the dual system and ensures that students are compensated for their work in all three years.
Challenges of implementation	Since companies are obliged to pay the students' remuneration in the third year, the number of students transiting from second to third year in dual VET decreased by 30% in the school year 2019/20.

	None of the dual VET programs are in industries experiencing a significant labour shortage, such as construction or healthcare.
Outcome(s) and impact	<p>Almost 60% of dual VET students have found work after graduation.</p> <p>Until 2018 a total of 21,108 high education graduates completed nine-month-long apprenticeships.</p> <p>In 2019, the provision of dual education increased by over 200%; 800 students, 250 companies, 20 municipalities, and 30 VET schools were involved.</p>
Main partner(s)/ stakeholders	<p>The Ministry of Education</p> <p>The Centre for Vocational Education and Training</p> <p>The Chamber of Economy</p> <p>Vocational schools</p> <p>Trade unions</p>