



EUROPEAN CENTRE FOR SOCIAL WELFARE POLICY AND RESEARCH

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Contact:

Employment and Social Affairs Platform 2 (ESAP 2) Project
esap@rcc.int

Rahel Kahlert, Ph.D.
European Centre for Social Welfare Policy and Research
kahlert@euro.centre.org

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Executive summary

Montenegro's performance against several indicators of the social scoreboard, designed to monitor the implementation of the European Pillar of Social Rights, remain relatively weak. Despite the fact that between 2017 and 2019 Montenegro achieved a high economic growth rate and a decrease in its unemployment rate, the employment rate remains low and long-term unemployment much is higher than in the EU. The situation got worsened by the COVID-19 pandemic, when the unemployment rate additionally grew, most affected were industries that Montenegro economy relies heavily on – tourism, construction and overall services. The achievements that were made in terms of employment and poverty reduction in the past years are now under threat.

Besides the health crisis, Montenegro underwent a political transformation in the past year. Long negotiations about government formation and budget afterwards created an additional pressure on the system. The changes included those to the governance and administrative system but also structural transformation as many units were merged. The government is now organized within twelve ministries, the most relevant when it comes to the Pillar of Social Rights are the Ministry for Finance and Social Welfare, the Ministry for Education, Science Culture and Sports, the Ministry for Health and the Ministry for Economic Development.

Some progress has been achieved in terms of better opportunities and access to education and labour market until COVID-19 pandemic. However, the pandemic emphasized the weaknesses and the existing problems: high youth unemployment, low labour participation of women, exclusion of marginalised groups from the labour market and high long-term unemployment. The most visible improvement is related to the increased number of pupils with special education needs enrolled in primary and secondary education. Progress was also achieved in the vocational education and training system as more young people chose this career path. At the same time, after years of declining, significant increase was recorded in the unemployment rate of persons aged 15-24 in 2020. Still, educational outcomes need to improve across the board in line with the market needs to improve employability (European Commission, 2020: 66). Persons with disabilities, Roma and Egyptian population (RE), refugees and internally displaced persons, and people living in deprived areas have difficulties to access and integration into the labour market.

The pandemic and imposed distance learning increased the educational gap of vulnerable groups. Also, despite some progress, RE remain the most vulnerable and discriminated community in the economy, and efforts to include them in the labour market are not showing satisfactory results. Their labour force participation is decreasing, and informal employment continues to be high.

Gender inequalities remain high, in addition to the gender pay gap and gender employment gap, women are still largely outnumbered by men in the leadership positions, with limited ownership over property and are underrepresented among the self-employed persons and entrepreneurs in the economy. During pandemic, there was an increase in domestic and gender-based violence, reported by specialised NGOs.

The employment situation in Montenegro worsened despite slight recovery of the labour market in recent years and the new Labour Law being recently passed. Although the traditional full-time

employment is the dominant type of employment practiced in Montenegro, in particular because of the high employment in public sector. There is also high incidence of seasonal employment as a result of changes in the economic structure during the transition process and high dependence on seasonal economic activities. The informal employment, the practice of not declaring the full salary in order to evade tax paying (UNDP, 2016), along with long-term unemployment and the lack of part-time jobs contribute to unsatisfactory employment situation in Montenegro. The real average net salary has increased despite the negative trends in the labour market due to COVID-19 pandemic. However, due to the high level of informality and undeclared work, these figures are not the best indicators of the real people's earnings. While minimum salary increased as well, it remains low compared to the EU average. Work-life balance is low in Montenegro and dissatisfaction with work-life balance has in fact recently grown for both, men and women. Work at home and distance learning during the pandemic additionally put pressure on people's personal time. The new Labour Law introduced several protective mechanisms, but the impacts of its provisions are yet to be seen.

Although decreasing, poverty and social exclusion levels remain high, especially for children, persons with disabilities, older people, Roma, and Egyptian population, and for citizens of the Northern region. Children are the most exposed to the risk of poverty, and although the general rate of risk of poverty has declined, it is still higher than the one for general population. The sources available for the pension fund have not significantly increased and the average pension is low compared to the monthly costs of public nursing homes. In terms of nursing homes, a big disadvantage is the absence of public nursing homes in the central region and in the capital of Montenegro (Podgorica), while the newly opened nursing homes across the economy are privately owned and not formally part of the care system. The situation regarding the inclusion of persons with disabilities has not improved. On the contrary, due to the COVID-19 related risks and lack of contact and regular care, the situation is aggravated when it comes to people that need care. Whilst both, the number of temporarily and permanently employed persons with disabilities has been increasing, the continuation of the efforts to further resolve the issue is necessary. Many citizens of the Northern region are still lacking access to some of the essential services.

In sum, the biggest social challenges in Montenegro remain in the area of ensuring equal opportunities and access to labour market, but also in the area of fair working conditions. Moreover, there is an issue of relatively poor data availability regarding social protection and social inclusion indicators. With regard to the labour market, the low employment rate in Montenegro remains one of the biggest challenges in the forthcoming period together with the high number of young people neither in employment nor in education and training (NEETs) across the economy. Marginalisation of certain social groups, especially of persons with disabilities and Roma and Egyptian ethnic minority, and thus structural constraints in their participation in the labour market and social integration, continue to pose a significant problem and a big challenge for future policies. The provision of social protection could be improved through better targeting and improved design of services and benefits in order to avoid fragmented coverage and disparities in labour market outcomes. The overall efficiency of the social protection system remains the big challenge, despite the fact that significant funds are invested in it.

The number of relevant strategies in the field of social protection have been in different stages of development and passing, including the Strategy for gender equality, the Strategy for social inclusion of Roma and Egyptian people (2021-2025) and the Strategy for prevention and protection of the children from the violence.

1 Introduction

The COVID-19 pandemic and the change of government affected the political, economic, and social landscape in Montenegro in the past year. The global pandemic was declared on March 11th, 2020, by the World Health Organisation, and the first case of COVID-19 infection in Montenegro was recorded on March 17th, 2020. Since then, according to the official data, Montenegro registered over 98.000 cases of infection and 1587 people died of its consequences.¹ The pandemic and the lockdowns that were put in place to prevent the transmission strongly affected the Montenegro economy and directly influenced socio-economic position of many people, most notably those who belong to vulnerable groups. The pandemic put significant pressure on the health system, making regular services less accessible which caused problems to many, especially, people with disabilities, older people and people who live in more hazardous situations (Roma and Egyptian people, imprisoned people, migrants and seasonal workers, etc.).² Educational system had to transform into online distance learning (#UciDoma), which substituted classrooms in the times of full or partial lockdown. This increased education inequality because not all children have access to internet and/or computers, and not all children had quality assistance in home learning.³ Finally, the pandemic caused many people to lose their sources of income, especially those without adequate labour protection.

The government developed the National Contingency Plan to response to COVID-19 in January 2020 and updated it in February and March 2020. The Plan covered all major aspects of health sector, except for risk communication. It also covered guidance and standard operations procedures for early detection of imported cases (mainly focused on Points of Entry), alert system, surveillance mechanisms, transportation, laboratory diagnose, clinical procedures, infection, and prevention control. Also, the "Country Preparedness and Response Plan" which describes how Montenegro, in collaboration with WHO and other partners, would manage its response to the Coronavirus SARS-CoV-2 and contribute for the UN 2019 Strategic Preparedness and Response Plan was passed.⁴

The economic projections that account for the impact of the COVID-19 pandemic forecast recession especially having in mind strong dependence of the Montenegro economy on tourism.⁵ The survey conducted by ILO showed that about 81% of respondents from businesses plan to reduce their workforce. Among them, one third plans to lay off more than 30% of workers and half less than 10%.⁶ These figures might significantly reduce the success that had been made in the past in the field of unemployment and poverty reduction. Administrative data shows the lowest employment level in the past nine years, and the most affected are tourism, construction and commerce.⁷

1 <https://www.covidodgovor.me>, accessed on June 18th 2020

2 UN, Brza procjena socijalnog uticaja epidemije COVID-19 u Crnoj Gori, June 2020, available at: https://montenegro.un.org/sites/default/files/2020-09/RSIA2_Kljucni%20nalazi_0.pdf, accessed June 17th 2021

3 Ibid.

4 COVID-19: Country Preparedness and Response Plan Montenegro, available at: <https://montenegro.un.org/en/43526-covid-19-country-preparedness-and-response-plan-montenegro>, accessed June 5th 2021

5 ILO and EBRD, COVID-19 and the World of Work Rapid Assessment of the Employment Impacts and Policy Responses Montenegro, 2021, p. 24

6 Ibid, p. 27

7 World Bank Group, Zapadni Balkan Redovni ekonomski izvještaj – Crna Gora, 2021

The government passed five "packages" of measures to support citizens and the economy in mitigating negative effects of the COVID-19 epidemic. When it comes to citizens, these plans included short term financial help for pensioners, unemployed and users of social welfare, subsidies in paying for utilities (especially electricity). The government included number of measures for supporting the economy as well, including loans for micro, small and medium size enterprises, subventions for salaries, suspending taxes, etc.

Apart from health crises, Montenegro underwent a political transformation after the parliamentary elections in August 2020. These elections were followed by a long negotiation in government formation and a major transformation of the former administrative system. For example, the number of ministries has been reduced to twelve. Also, the budget was passed with six months delay, in June 2021. In the meanwhile, the government passed the Decision on temporary financing which enabled the budget users to spend monthly 1/12 of their expenditure for the previous year.⁸ However, due to the new budget not being passed, there were many consequences. During the period of temporary financing, no public calls for services or goods could be issued, including those for medicines which caused some supply shortages.

After the election held in August 2020, the organisational structure of the government was changed as well as the scope of work of each ministry. In that light, instead of the former Ministry of Labour and Social Welfare, now the Ministry of Finance and Social Welfare (MFSW) is the institution responsible for managing and monitoring the system of social welfare in Montenegro. Instead of the former Ministry of education, the newly formed Ministry for education, science, culture and sports is responsible for education, and the Ministry of Economic Development is responsible for labour policies, social dialogue, OSH. Other institutions responsible for the implementation of social welfare and elements of the European Pillar of Social Rights are the Institute for Social and Child Protection, the centres for Social Work (in charge of social assistance), residential institutions (institutional care), Pension and Disability Insurance Fund (PIO Fund), Health Insurance Fund, and Employment Agency of Montenegro (the latter plays a key role in the programme of activation measures, enabling beneficiaries of social assistance measures to find productive employment). When it comes to gender policies and equal opportunities, the institution in charge is the Ministry of Justice, Human and Minorities Rights.

The pandemic and political shift happened while the social protection system in Montenegro was undergoing a process of transformation. The system consists of two main parts: the insurance-based protection and a protection that is not based on insurance. As such, the system includes social benefits that are not based on pre-paid contributions such as family allowance, child allowance, personal allowance, care allowance, and assistance for foster care families. Benefits based on paid contributions include social security, including age, veterans and disability pensions, health insurance and unemployment insurance. The number of relevant strategic documents in the field of social protection are being developed currently.

The Employment Agency of Montenegro (EAM) and the Centres for Social Work (CSWs) are responsible for employment, social and child protection. PES is a public service organisation with a legal entity. Administrative oversight in the area of employment is under the responsibility of the Ministry, in accordance with the Law on Mediation to Employment and Rights during Unemployment.

8 The Decision is available on the Government's web site: Rješenje o privremenom finansiranju za jun 2021. (www.gov.me), accessed on July, 5th 2021

The EAM has 9 regional employment offices and 24 local employment offices distributed based on the territorial principle, which enables EAM tasks to be carried out more efficiently across the economy. On the other side, the system of social and child protection is centralised. The MFSW is the main institution responsible for policy making, provision of finance and supervision of CSWs. The two institutions implement social and child protection at municipal level. CSWs base their decisions on the rights to social and child protection, according to the Law on Social and Child Protection. Montenegro set up 13 CSWs covering all 23 municipalities. Reorganisation of CSW network contributed to having 25 CSW offices across the economy. Since 2011, the number of social workers increased by 53 percentage points and significant efforts and resources were invested in improving their competences (UNICEF, IDEAS and Institute for Social and Child Protection, 2019). However, the main problem is that CSWs are not “empowering their beneficiaries, that they are not providing sufficient information necessary for the protection of rights, nor the possibility to meaningfully participate in the protection process” due to the lack of competences and time (ibid.: 8-9).

Certain types of social assistance are under the responsibility of other Ministries. For example, Ministry of Education, Science, Culture and Sports (former Ministry of Education) is responsible for the provision of free textbooks and free meals for children attending public preschool institutions that come from families who are beneficiaries of material support. Due to a decentralised management system, decisions on the supply and implementation of a range of social services and the provision of social assistance, including one-time financial assistance, are made at the municipal level.

Various action plans have been developed in the field of social policies, but the monitoring system needs further development. For a time, one of the concerns was that monitoring and evaluation of the strategic documents is inadequate since it was not based on measuring outcomes but counting activities. Various working groups have been established but results of their work are limited. It seems that the main constraint is related to insufficient capacities: financial and human resources are limited. In addition, the overall system is still centralised and social planning at the local level is undeveloped or under development. However, significant efforts have been invested in the past years to remedy this problem. Namely, in 2018, the government passed the bylaw that introduced requirements for evidence based strategic planning of public policies. The implementation is expected to improve verifiability of implementation of the strategic documents. Additionally, international organisations, such as UNICEF, have supported outsourcing monitoring and evaluation to the external consultants which has improved to some extent quality.⁹

Though there is improvement when it comes to data availability, it can be further advanced. Several new datasets have been made available, including the Statistics on Income and Living Conditions (EU SILC; December 2019) and Multiple Indicator Cluster Surveys (MICS; April 2019), as well as data from the recently established Information System for Social Welfare (Social Card)¹⁰.

9 For example, see Analysis of the Implementation of the Strategy for the development of the social and child protection system in Montenegro 2013-2017, available at: <http://www.minradiss.gov.me/biblioteka/strategije>

10 Social Card - (SWIS) is an electronic system for: processing, approval, record-keeping, calculation & payments (around EUR 65 million annually), reporting, monitoring and audit of social benefits/transfers. The system covers almost all other social services related business processes, including introduction of the case management, issuing of decisions for placement into residential social facilities, complaint procedures, etc. The beneficiaries no longer experience difficulties and are exposed to expenses of collection of huge paperwork necessary for access to social protection benefits, as the social welfare Centre became one stop-shop. SWIS's interoperability module with ten national IS: Pension Fund, Health Fund, Real Estate Office, Public Revenue Office, Employment Office of Montenegro, Ministry of Interior: Motor vehicles registry and national Central Registry of Population (Ministry of Information Society and Telecommunications), Ministry of Agriculture (Veterinary Directorate) and Ministry of Education – that automatically determines one's eligibility for social benefits. Social workers are relieved of this administrative burden and can now on dedicate more to beneficiaries. Further, this sophisticated system also enables data import from the Electric Power Company (EPCG) for the electricity bills subventions for poor as well as data from the other national registries (Post Office, national statistical office) enabling data collection and reporting on property, income and un/employment, etc. status of individuals and families.

Many relevant strategic documents expired in 2020, and the new ones have not been passed yet, e.g. National employment strategy, Strategy for inclusion of people with disabilities, Strategy for prevention of domestic violence, National strategy for life-long learning, etc. Many of these documents are now being drafted but have not been passed yet, such are Strategy for gender equality or Strategy for inclusion of Roma and Egyptian people.

2 Montenegro's performance in the 20 principles of the European Pillar of Social Rights

2.1 Equal opportunities and access to the labour market

2.1.1 Education, training and lifelong learning

The legislative framework of the education system in Montenegro is solid, however the institutional support is undergoing major transformation. Since 2000, Montenegro has implemented a comprehensive reform of its education system. The Government of Montenegro is responsible for the adoption and implementation of education strategies and policies at the national level. One of the major changes following the last election includes merging four previous ministries into one and creating Ministry of education, science, culture and sport which is now in charge of education. In terms of youth, a directorate of Sports and Youth Administration operates within the Ministry of Education, Science, Culture and Sports (former Ministry of Sport).

The education system, at all levels, is financed from the public budget. Primary education is compulsory and free for all children aged 6 to 15 years and lasts nine years. Secondary education, including vocational is also free, but it is not compulsory. Since 2017 higher education is free as well (bachelor and master's degree), though private universities do exist as well.

The Montenegro educational system is inclusive. The Constitution guarantees minorities the right to education, while national legislation guarantees the education of students from minorities in their mother tongue. There are also provisions that enable affirmative action for enrolment of students from minority groups at the public university.

In the past few years, a number of reforms were introduced in the education system. Numerous laws were amended introducing significant regulatory changes from pre-school to higher education onwards. Also, number of strategic documents have been passed. The Strategy for Development of General Secondary Education (2015-2020) expired and the Final report on the implementation is available.¹¹ However, the Final Report does not assess the outcomes of the implementation. It

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¹¹ Available at: <https://wapi.gov.me/download/aea98983-0e1d-4f5f-b101-363bacb76dc1?version=1.0>, accessed on June 17th 2021

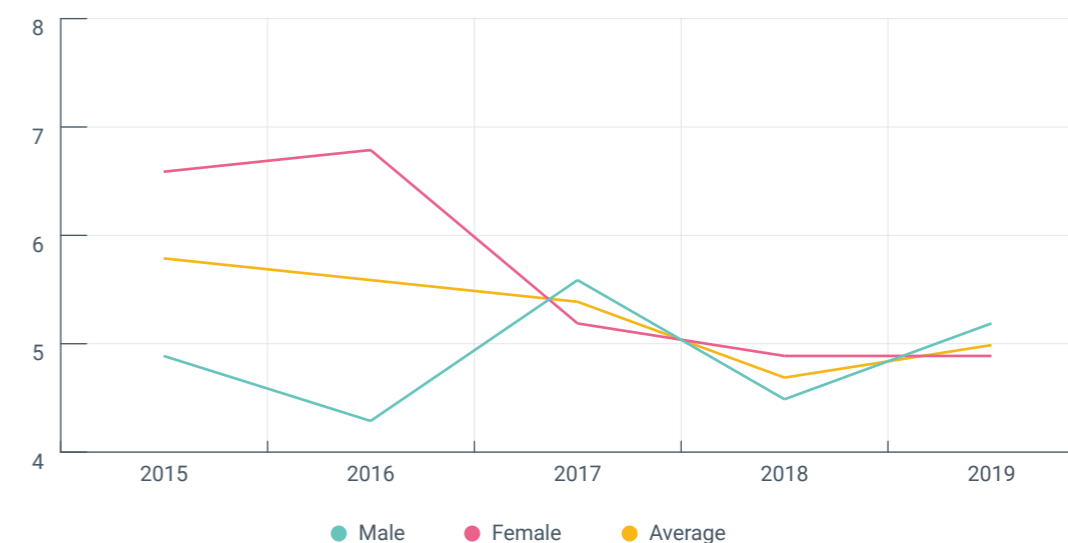
includes only an activity implementation report. According to the report 80% of planned activities were implemented. Because of the evaluation methodology it is impossible to see what kind of changes the strategic document produced. One tangible result of the Strategy is the increased interest among the students to enrol specialized high-school programs e.g., linguistic (see table 1). The 2017-2024 Strategy for Teacher Training was adopted, focusing on the improvement of training to develop students' key competencies.

The Montenegro's national qualifications framework is harmonised with the European qualifications framework and implementation is ongoing. Amendments to the Law on Higher Education were adopted in June 2018, establishing tuition-free enrolment for the first and second cycles and introducing 25% practical training for all study programmes. Further amendments to change the promotion system for university teachers are announced for the forthcoming period.

The school enrolment rates vary, there was a trend of early school education increasing and a trend of primary school education decreasing before 2020. In 2020, the trend was reversed and the number of students that entered primary education increased and those that entered early school education decreased. According to data of Montenegro and Montenegro Roma Settlements: Multiple Indicator Cluster Survey 2018 (MICS) (December 2019), the following groups of children are less included in early childhood education: children from rural areas (34.5%), from the Northern municipalities (37.1%), children who live in the poorest families classified by Wealth index quintiles (17.7%) and children from Roma and Egyptian communities (15.5%).

This general increase in participation in early childhood education until 2020 can be attributed to the opening of new kindergartens and engaging more child-care workers in Montenegro in the past years. Namely, in 2019/2020, there were 170 kindergartens in Montenegro, compared to 2018/2019, when there were 166.

Figure 1. Early leavers from education and training (% of population aged 18-24 years)



Source: Eurostat online database, accessed June 2021.

The rate of early school leavers has increased slightly. Male early leavers from education and training in 2019 represented 5.2% of male population aged 18-24, compared to 5.6% in 2017. The female percentage is slightly less and amounts to 4.9%, compared to 5.2% in 2017. As for the adult population aged 25-64, in 2020 only 2.7% of adults participated in learning and that percentage is lower for males (2.6%) than for females (2.8%). On the other hand, lifelong learning remains very low at 2.7%.

Along with the formal levels of education, a continuous development of vocational education is needed, which is a core function of lifelong learning. There is a strong need for further education and training programmes and skill learning.

Reform measures have been most visible in vocational education and training (VET). The number of students enrolled in VET programs is on the raise. Progress has been achieved in VET by better matching of labour market needs through the implementation of the newly developed dual education programme and the introduction of a system of vocational teacher placements in industry. New and revised VET curricula were introduced in the school year 2017/2018, accompanied by teacher training. Qualifications based on learning outcomes continue to be developed and scholarship is available for enrolment in deficit occupations. The biggest achievement has been the introduction of dual VET which refers to parallel education and work for an employer where pupils receive a monthly wage. The Government passed the Strategy for development of vocational education in Montenegro (2020-2024).¹² The main goal of this document is reaching vocational education that is relevant, innovative and includes skills, competences and qualifications necessary for employability, long-life learning, inclusion, personal growth and active citizenship. As a consequence of the ongoing efforts, the number of students enrolled in vocational schools has been increasing in the past years (see table 1).

Higher education is still characterised by oversupply or shortage of graduates in specific study fields. Higher education consists of one public and two private universities as well as nine independent private faculties and one independent public faculty. It is regulated by the Law on Higher Education. The total number of students enrolled in basic studies, according to MONSTAT in 2019/2020 was 18,582, out of which 3,173 were enrolled in specialist, 1,115 in master and 93 PhD studies.

There is a disconnection between investments in education and the outcomes in terms of their performance and employment.¹³ A study found that there is a skill mismatch that disproportionately affects innovative firms, which reported lack of skills as the main problem in hiring professionals. The same study states that the young workers lack soft skills, like language, leadership, initiative, and critical thinking, as well as advanced hard skills like technical knowledge.¹⁴ The employers noted the following obstacles to employability of the graduates: lack of specialisation and quality of knowledge and skills, lack of long-life learning and lack of motivation (Unija poslodavaca Crne Gore, 2016).

Young people often rely on friends and family to find a job. A study of practices in the Balkans conducted in 2017 revealed that when people are asked to estimate employment through relevant informal contacts in the economy on the scale 1 to 10, the average estimation is 8.2 and when they are asked to estimate how often people get a job based on merit, the average on the same scale is 5.2 (Cvetičanin et al., 2019).



¹² Available at: <https://www.gov.me/dokumenta/3f8ece83-b549-4c84-8ae9-a8620ff67928>, accessed on June 17th 2021

¹³ The World Bank, Montenegro Growth and Jobs, September 2018, p. 30

¹⁴ Ibid, p. 31

Table 1. Total number of students in high education by levels and ISCED areas

Sector	2016/2017.			2017/2018.			2018/2019.			2019/2020.		
	III	IV	G	III	IV	G	III	IV	G	III	IV	G
Engineering, production, and construction	430	3,769		548	3,780		947	3,339		1,345	2,860	
Management, administration, law	147	4,760		124	4,551		193	4,239		298	3,975	
Services	1,040	4,291		1,125	4,366		1,612	4,114		1,919	3,800	
ICT		820			843			972			1,056	
General programs (gymnasiums)			9,090			9,103			8,842			8,456
Agriculture, forestry, fishery, and veterinary medicine		392			437		13	410		37	362	
Arts and humanities		559			595			612			557	
Health and social protection		2,361			2,523			2,605			2,637	
TOTAL per level	1,617	16,952	9,090	1,797	17,095	9,103	2,765	16,291	8,842	3,599	15,247	8,456
TOTAL all levels (III+IV+G)	27,659	27,995	27,898	27,302								

Source: Strategy for development of vocational education in Montenegro (2020-2024)

In response to this issue, the government has introduced a programme in 2013 to provide all graduates with internships after leaving universities. Since then, 9 generations of interns had the opportunity to participate in the program. Whilst there has been no official ex-post evaluation of the programme, an NGO ADP ZID conducted the Evaluation of the Program of internship program in 2016 which was based on 1,777 surveyed participants. The main conclusions were that even though 90% of participants recommend the program, many had reported misuse of it, including lack of mentorship, lack of specialisation in the field of study, centralisation (most participants 'worked' in the central regions).¹⁵ The absence of monitoring and mentorship in companies where internships were provided was one of the most important reasons for program's ineffectiveness. The other could be lack of understanding of what the goal of the programme is. Namely, it has been observed that employers use it as a "free labour" resource.

More young workers are overeducated (11.4%) than undereducated (8.0%) and the majority of young workers have managed to find work that matched their level of qualifications. According to a DG EAC study, of those who find a job, the proportion of graduates who find a well-matched job



¹⁵ ADP ZID, Evaluacija Programa stručnog osposobljavanja za lica sa stečenim visokim obrazovanjem, 2016

is 55%. This means that efficiency of the higher education and labour market system is rather low as for every ten students that enter the system, only two find a well-matched job.¹⁶ According to the available data, the higher education system produces more graduates than are the needs of the labour market in some fields, especially in the fields of business, administration, and law.¹⁷ On the other side there is a shortage of graduates in Natural Sciences, Mathematics and Statistics.¹⁸

While analysing the parameters of the labour market in terms of education level, it is evident that the category of persons with secondary education dominates the share of the active population, followed by university graduates. There is an insufficient percentage of the population that is highly educated compared to developed economies. According to the 2011 census, out of the total population aged 15 and over, 17.4% hold a higher education degree. The aim is that by 2020 the share of population aged 30-34 with university degree increases to at least 40%.

2.1.2 Gender equality

Since declaring its independence in 2006, Montenegro has made significant progress in the field of development and human rights. According to the Law on Gender Equality, the concept of gender equality implies equal participation of women and men, as well as persons of different gender identities, in all areas of the public and private sector, equal status and equal opportunities to exercise all rights and freedoms and the use of personal knowledge and skills for development in the society, as well as to equally benefit from the results of work.

Although there is a good institutional and legislative framework for the protection and promotion of human rights in place, practice shows that women are still exposed to social marginalisation and discrimination in Montenegro. According to Gender Equality Report 2019 (UNDP, 2019), stereotypes, the patriarchal way of thinking and the lack of openness to diversity are very strong. Women still do not have equal opportunities to contribute to the political, economic, social, and cultural development, and consequently to benefit from these opportunities. Despite the fact that more and more women are highly educated, and their participation in the labour market is increasing, women are still largely outnumbered by men in positions of responsibility in politics and business, particularly at the top level. According to the Statistical Office of Montenegro, in 2019 only 9.8% of employed women were self-employed, which is more than twice as low as men (24.5%). An overall lack of jobs impacts women's ability to earn pensions.

Data from the Action Plan for Achieving Gender Equality (2017-2021) shows that the gender pay gap in Montenegro is 13.9%. This means that women only earn 86.1% of the average salary paid to men for equal work. Causes for the pay gap include direct discrimination, indirect discrimination, undervaluing of women's work, segregation in the labour market, tradition and stereotypes and increased need for women to balance work and private life. After earning less when employed, women receive lower pensions which increases their poverty risk. Employed women more frequently have a tertiary education (in 2019, the percentage of women with tertiary education in the total number of employed population with tertiary education was 55.2%) than employed men, because women with lower educational attainment more frequently stay out of the labour market. Indeed, official data for 2019 shows that among all unemployed women, 22.2% have a tertiary education degree

¹⁶ ETF, Skills mismatch measurement in Montenegro, 2019. p.14

¹⁷ Ibid, p. 16

¹⁸ Ibid, p. 16

(compared to 21.4% of unemployed men). This means that women need to invest in their education more if they want to become employed, compared to men, which implies the existence of indirect discrimination from this point of view. Also, the gender employment gap was 12.9 percentage points in 2020, and it shows a fluctuating trend in the last three years (11.7 percentage points in 2016 and 13.3 percentage points in 2019). In 2020 the Evaluation of the Action Plan for Achieving Gender Equality in Montenegro 2017-2020 has been conducted and it found "the greatest number of activities were implemented in the following areas: gender-based violence, gender equality in the economy, institutional mechanisms for the implementation of gender equality policies, and in women's human rights". The new draft Strategy for gender equality has been drafted and is expected to be passed in 2021.

According to the Report of EU Delegation to Montenegro on Support to the Anti-discrimination and Gender Equality Policies, women are owners of only 4% of houses, 8% of land and 14% of holiday houses in Montenegro. Limited ownership over property causes multiple deprivations; women remain dependent on others (mainly husbands), risk falling easily below the poverty line in case of internal or external shocks and are discouraged to separate from partners even in the case of domestic violence (see below).

Combating violence against women and violence in family remains an important priority. According to an UNDP survey conducted in cooperation with the Ministry for Human and Minority Right in 2017 42% of women in Montenegro have experienced some form of violence (psychological, economic, physical, or sexual) from their husband and/or their partner in their lifetime.¹⁹ In recent years, there was a significant increase in the number of reported cases of domestic violence. The government makes efforts to create a legal and policy framework that would provide an adequate response to the current situation. UNDP research on the perception of violence provides information that 44% of citizens assess domestic violence as highly present in households, while only 20% said they did something to help the victim. Patriarchal power is still one of the key obstacles to protection from domestic violence. During COVID-19 epidemic, the nongovernmental organisations that receive calls from victims of domestic violence have noted an increase in calls and requests for help.²⁰

The Strategy for protection from family violence has expired in 2020, and the Strategy for prevention and protection of the children from the violence (2017-2021) will expire this year. The evaluation of the implementation of the latter have been initiated as the first phase in passing the new one. The preparatory actions for drafting the new Strategy for the Prevention and Protection of Children from Violence have begun and the new draft is scheduled to be completed at the beginning of 2022.

The Gender Equality Index for Montenegro was for the first time calculated in 2019 and it equals 55, while EU-28 average is 67.4. Women in Montenegro are the least equal in domain of Power (35.1 p.p.), and the most equal in the domain of Health (86.9 p.p.). The gap between Montenegro and EU average is the biggest in the domain of Money which means that women in Montenegro are the least equal to their European peers when it comes to the outcomes of their work in terms of wages. The report emphasises that even though women and men are most equal in the domain of health, the domain itself does not capture all relevant levels of health-related inequality in Montenegro (for example selective abortion or violence against women).

¹⁹ <http://www.un.org.me/Library/Gender-Equality/Istrazivanje%20UNDP%20o%20nasilju%20u%20porodici%20i%20nasilju%20nad%20zenama%202017.pdf>

²⁰ UN, Brza procjena socijalnog uticaja epidemije COVID-19 u Crnoj Gori, June 2020, available at: https://montenegro.un.org/sites/default/files/2020-09/RSIA2_Kljucni%20nalazi_0.pdf, accessed June 17th 2021

2.1.3 Equal opportunities

Montenegro has good institutional and legislative framework for the protection and promotion of human rights and freedoms. However, practice shows that Roma, Lesbian, Gay, Bisexual and Transgender (LGBT) people, people with disabilities and older people are still exposed to social marginalisation and discrimination. Changes to anti-discrimination legislation passed in June 2017 defined the mandate of existing institutions within the anti-discrimination system more accurately. However, there is a clear need to further strengthen the capacities of these institutions and their staff (incl. resources, etc.) in order to ensure effective protection against discrimination.

The number of normative and strategic documents have been passed or amended in order to improve equal opportunities, especially to the most vulnerable groups. The Special protocol on the bodies, institutions and organizations that are acting upon children involved in living and working on the streets was revised in order to improve the protection of Roma children. The Law on Amendments to the Law on Free Legal, the Strategy for Prevention and Protection of Children from Violence for the period 2017-2021, the Strategy for exercising the rights of the child 2019-2023 and the Protocol on the Treatment, Prevention and Protection of Violence against Women and Domestic Violence were adopted. Additionally, several strategic documents are in the process of being developed e.g. the draft National Plan for the formal Identification of victims of trafficking in human beings.

Apart from the normative work, several activities for the purpose to support implementation of the equal opportunity principle were conducted. The Institute for Social and Child Protection has accredited a high number of training programs and organized trainings for professional workers from the social and child protection system. The goal of these programs is to strengthen the capacity of professional workers in the social and protection system. Shelter for Victims of Trafficking was licenced and a SOS hotline for victims of trafficking has been opened.

Often marginalised people are not informed about their rights and about the institutional mechanisms for the protection of their rights. There is also a lack of trust in these institutions. Practice shows that victims of discrimination rather turn to CSOs when they face issues regarding discrimination.

Key challenges in this area include poor integration of human rights and gender components in development policies. Moreover, institutions either do not have sufficient staff with expertise in this area or the assets planned in the annual budget are not sufficient. Women continue to suffer from various forms of discrimination. Roma and Egyptians are still living on the margins of society. Continuous work is needed in the fields of education, health care, housing, and employment. Persons with a disability are also subject to multiple discrimination, and physical access to institutions remains one of the most obvious problems. In order to decrease the level of discrimination towards marginalised groups several strategies have been adopted²¹.

Montenegro has passed legislation that respects the rights of LGBT persons; however, the full implementation of this legislation is lagging. The Parliament passed the Law on lifelong partnership among people of the same sex and its implementation started in July 2021 as the first same-sex partnership was registered. However, in order for this law to be fully enforced and that LGBT couples



²¹Strategy for Improving the Quality of Life of LGBT People 2019-2023, Strategy for Social Inclusion of Roma, and Egyptian Communities in Montenegro 2016-2020, Strategy for the Protection of Persons with Disabilities from Discrimination and Promotion of Equality 2017-2021 and Strategy for Integration of Persons with Disabilities in Montenegro 2016-2020.

enjoy the same rights as heterosexual partnerships about 20 laws need to be amended and this has not been done yet. The eighth Montenegro Pride event was organised in the context of COVID-19 epidemic so there was no Pride walk. Instead, a Pride 'drive' was organized without any incidents. Additionally, several institutions were ornamented with the rainbow lights. However, the incidents including hate speech targeting of LGBT persons are still present. The COVID-19 pandemic increased the risk among LGBT persons to become homeless or be forced to return to the primary family that doesn't support their choices, because of the loss of income.²²

Despite some progress, Roma and Egyptians remain the vulnerable and discriminated community in the economy according to the European Commission Progress report on Montenegro in 2020, especially when it comes to enforcing their rights in administrative and judicial proceedings.²³ On education, there was progress on the number of children enrolled in pre-schools and primary education, while preparatory pre-school education has been extended from 2 to 4 weeks. Other positive measures include the provision of free textbooks, scholarships, enrolment through quotas in secondary and university education for Roma students and provision of transportation in Podgorica. However, the level of knowledge of the official language remains poor, prevention measures against school dropouts are not implemented, and insufficient attention is given to adult education. Only one-third of Roma students complete compulsory education and just 3% (the lowest in the region) complete secondary education.

COVID-19 pandemic had significant negative influence on education of Roma children. Namely, because of lacking internet access and computers/devices necessary for distance learning. Many Roma and Egyptian children could not follow the courses regularly. Also, since their parents are often not educated, they could not help them with their homework/distance learning tasks. All this caused the educational gap to widen.²⁴ Efforts to include Roma in the labour market are not yielding satisfactory results, their labour force participation is decreasing, and informal employment continues to be high. The great majority of Roma have access to health insurance although the percentage of coverage has dropped since 2011.

Montenegro has a high share of people at risk of poverty or social exclusion. In 2018 this indicator was -41.2% while for 2019 it was lower at 36.6% (EUROSTAT, 2021). The percentage of at risk of poverty or social exclusion was 42.2% in 2017, 43.1% in 2016, and 43.8%, in 2015. This indicator is much higher than in the EU28. Also, the indicator for children is even higher, amounting to 38.4% in 2019. At-risk-of-poverty-rate (AROP) is at the level of 24.5% (2019), while in 2018 AROP was slightly lower at 24% (see Figure 2).

Income is unequally distributed, Montenegro's income quintile ratio is still significantly higher than the EU28 average. EU-SILC data (2019) show that the 20% richest households earn almost seven times more than the poorest 20% and there was no real change between 2014 and 2019 on this measure²⁵ (EUROSTAT, 2021).



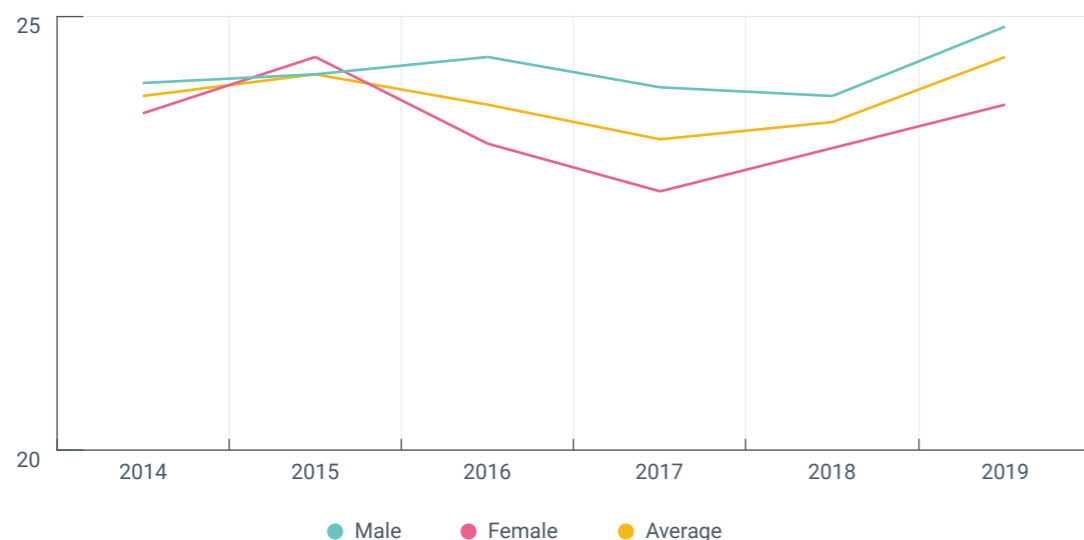
²² UN, Brza procjena socijalnog uticaja epidemije COVID-19 u Crnoj Gori, June 2020, available at: https://montenegro.un.org/sites/default/files/2020-09/RSIA2_Kljucni%20nalazi_0.pdf, accessed June 17th 2021.

²³ European Commission, Montenegro 2020 Report, available at: https://ec.europa.eu/neighbourhood-enlargement/sites/default/files/montenegro_report_2020.pdf, accessed on June 18th.

²⁴ UN, Brza procjena socijalnog uticaja epidemije COVID-19 u Crnoj Gori, June 2020, available at: https://montenegro.un.org/sites/default/files/2020-09/RSIA2_Kljucni%20nalazi_0.pdf, accessed June 17th 2021

²⁵ 6.7 in 2019, 7.4 in 2018, 7.6 in 2017, 7.4 in 2016, while in 2015 and 2014 the income quintile ratio was 7.5 and 7.3 respectively.

Figure 2. At-risk-of-poverty-rate (AROP) 2014-2019



Source: Eurostat online database

2.1.4 Active support to employment

The Montenegro PES conducts numerous measures and implements policies aimed at supporting people into employment. However, activity rates are still low and the unemployment rate among some vulnerable groups is still high. The main strategic document in the field of employment policy the National Strategy for Employment and Human Resource Development 2016-2020 expired and the new one is being drafted. The employment situation aggravated due to the COVID-19 pandemics and the connected lockdowns.

Labour market performance is poor, characterised by high youth unemployment, low participation of women and high long-term unemployment. The effects of COVID 19 on labour market was immediate as the number of unemployed increased from 35 515 in March 2020²⁶ to 40 361 in April 2020²⁷, representing an increase of unemployment rate (based on the PES methodology) from 15.31% to 17.40%. One of the characteristics of Montenegro is a lower activity rate compared to EU Member States and also non-EU economies from the region. According to the 2020 Labour Force Survey (LFS), the average activity rate of the adult population (15+) in Montenegro stood at 53.3 % (61.5% for the population aged 15 to 64 years). In respect to the activity rate per regions, in 2020 the activity rate for persons aged 15 and above amounted to 48.4% in the Northern region, 57.1% in the Central region and 51.9 % in the Southern region. The lowest activity rate is among the population from 15 to 24 years of age (30.9 %) and among the population between 55 and 64 years of age (49.0%) while the population between 25 and 54 years of age have a rate of 75.1% (Social Score Board Annex). The activity rate is the highest among the population with higher education degrees, bachelors, masters, and PhDs (accounting for 80.8%), while the lowest rate is among persons without any formal education (13.1%). There is also a distinctive disparity in the gender-specific rates of activity (in 2020, the activity rate

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26 <https://www.zzzcg.me/wp-content/uploads/2020/04/Statistical-Monthly-Report-31-March-2020.pdf>

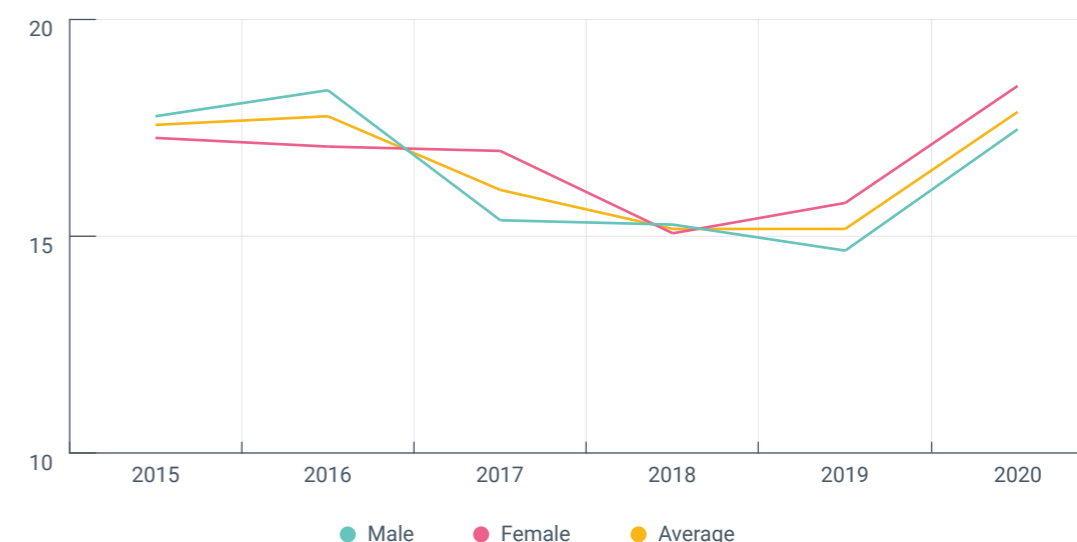
27 <https://www.zzzcg.me/wp-content/uploads/2020/05/Statistical-Monthly-Report-30-April-2020.pdf>

for men²⁸ was 68.3% and 54.7 % for women (Social Score Board Annex). According to the LFS, the inactivity rate of the adult population was at 46.7% in 2020. Pensioners accounted for 37.4% of the inactive population and students for 24.2%.

Data shows that 16% of the population is inactive due to personal or family reasons. The 65+ age group has the largest share in the inactive population (30.2%) followed by the 15 to 24 age group that has the second largest share (25.3%), and the group aged 50 to 64 (22.7%). The employment rate for population aged 20-64 was 55.2% in 2020 (Social Score Board Annex) and the unemployment rate for population aged 15-74 was 17.9% with a significant increase compared to the previous years (see Figure 3).

The problem of unemployment among young people is one of the key challenges of the labour market. Although compared to previous years (in 2015 it was 37.6%) a significant decline in the unemployment rate of persons aged 15-24 was achieved in 2019 (25.2%), in 2020 due to COVID 19 this percentage significantly increased (36%) (Annex), while the share of young people in total unemployment was at the level of 19.9%. The unemployment rate for young people aged 15-24 is significantly higher than the average general unemployment rate.

Figure 3. Unemployment rate



Source: Eurostat online database

Long-term unemployment (LTU) in 2020 is at a rather high level, amounting to 74.7% of total unemployment. The largest share among LTU persons pertains to those who have been seeking employment for 2 years or longer (61.1% of unemployed persons). The LTU rate was 13.4% in 2020, and after few years of decreasing it achieved again the level of 2015 when it was 13.5% (Social Score Board Annex). The percentage points are similar for females and males, 12.8% of active males and 14% of active females (Social Score Board Annex). The unemployment is lowest in the Southern region and highest in the Northern region of Montenegro. The lowest unemployment share pertains to unemployed persons with education level ED5-8, while the largest share refers to those who have education levels ED0-2 (Qualification Framework in Montenegro is aligned with the European Qualifications Framework and thus indirectly with the National Qualifications Frameworks of other

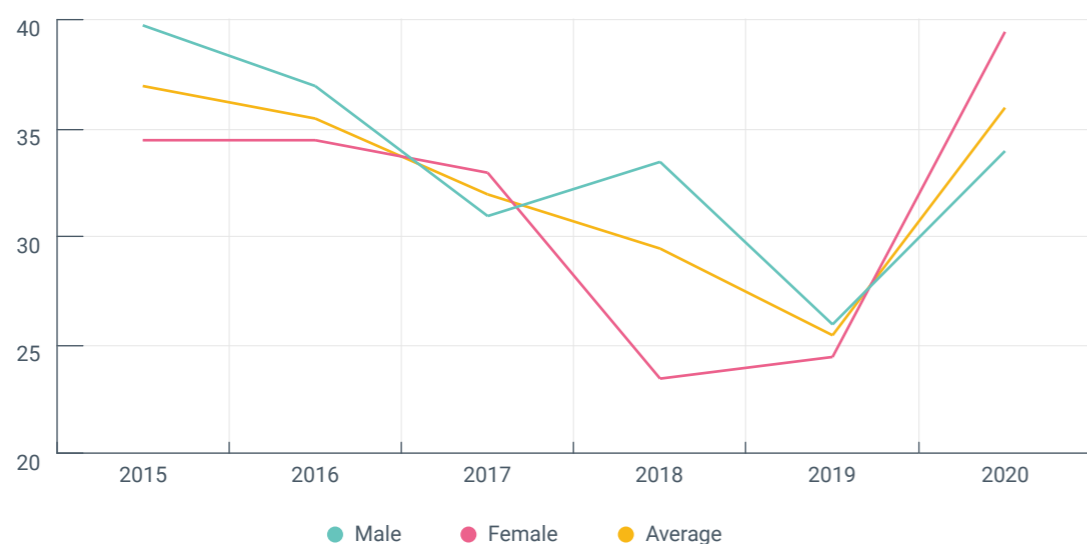
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28 Aged 15 to 64 years old

European countries; Social Score Board Annex). In Montenegro, unemployment hits persons with poor education and with a lack of competences for any specific jobs the most. Unemployment is high for disabled persons, Roma, Egyptians, refugees and internally displaced persons, and people living in less developed areas. It is important to emphasise that persons with disabilities face barriers in employment. Social inclusion of persons with disabilities is considered as one of the most important challenges in the field of employment and integration of this group into society in Montenegro.

The youth unemployment rate (aged 15-24) started to reduce before the pandemic but is on the rise again. It stood at 25.2% in 2019, down from 37.6% in 2015, but due to COVID-19 in 2020 it significantly increased to 36% achieving the level from 2016 (Figure 4).

Figure 4. Youth unemployment rate



Source: Eurostat online database

Numerous active labour market policy (ALMP) measures have been designed and implemented since 2016. The focus of these policies included adult education, training for work with the employer, training for independent work, public works, and seasonal employment, as well as a programme for providing continuous incentives to employment and entrepreneurship (see Table 2 for the overview of the ALMP measures in 2020).

More progress is needed to align education and skills with labour market needs. The Programme of Professional Training of University Graduates is developed as a strong response to the growing crisis of youth unemployment, especially highly educated persons without substantial work experience. The European Commission launched a number of initiatives, such as the Initiative for Young Persons and the Guarantee for Young Persons²⁹, which provide additional funding for the measures for young persons. In 2020, the NEET indicator is higher for females (26.9%) than for males (26.2%). As LFS data shows, NEETs³⁰ was at 26.6% of the total population in 2020. In 2019, this indicator was 21.03% and decreased compared to 23.4% in 2015. However, due to COVID 19, this indicator increased again in 2020.

²⁹ <https://ec.europa.eu/social/main.jsp?catId=1079>

³⁰ NEET - proportion of the population not in employment, education or training represent the percentage of young people aged 15–29 years who are neither in employment nor in education or training.

Table 2. Distribution of ALMPs in 2020

	2020	
	No. of participants	Share in % (of total number of unemployed persons)
Adult education and training*	-	-
Public works	606	1.3%
Water supply ("Let it be clean") ³¹	95	0.2%
Training for independent work	228	0.5%
Training for work with the employer	250	0.5%
"Stop grey economy" project	210	0.4%
11 self-employment loans creating 13 new jobs	13	0.0%
Professional training of people with acquired higher education	3 009	6.3%
Total no. of unemployed persons as of 31.12.2020	47 509	

*this programme was not implemented in 2020 due to the prohibition and restrictions on the work of educational institutions as they are largely the providers of these programs

Source: PES Montenegro

³¹ The project's name is "Neka bude čisto" in Montenegrin.

2.2 Fair working conditions

2.2.1 Secure and adaptable employment

Despite slight recovery in the labour market in pre-COVID-19 pandemic, significant challenges remain in relation to the secure and adaptable employment. One key problem of the labour market in Montenegro is the low employment rate, which was additionally aggravated by the pandemic. Additionally, women are more burdened by the fact that they are mainly taking care of dependent family members (especially children, elderly, and ill family members). Amongst all unfavourable labour market conditions, it is also important to highlight LTU and prominent seasonal employment. Seasonal employment is a result of changes in the economic structure during the transition process and the high reliance on seasonal economic activities, such as tourism and construction. Regional disparities significantly influence the deepening of unfavourable trends between the northern and other regions. According to the LFS only 19.1% of employed persons were self-employed in 2020.

The government passed a number of measures in support for the economy and the employees, to mitigate the negative consequences of COVID-19 pandemic. The measures include different types of subsidies, supporting over 100,000 employees in micro, small and medium enterprises. These measures included encouraging relevant entities to provide preferential loans, approve loan extensions, and lower interest rates, reduction and deferral for payroll taxes, support to domestic producers and specific industries and electricity bill reductions.³² It also included social measures such as subsidies for earnings of employees on paid leave, subsidies for earnings of employees who are quarantined or in isolation, suspension of enforcement, for the purpose of socio-economic protection of entities whose operation is suspended by the National Coordination Body's decisions, one-off financial assistances for unemployed people, etc.³³

There is a prominent gender gap in self-employment where only 26.3% of self-employed persons are women. In other words, out of the total number of employed persons, only 5% are self-employed women. Overall, entrepreneurship development in Montenegro is hampered by limited access to the support from financial institutions and commercial banks, as well as by the institutions dealing with entrepreneurial education. These obstacles are mostly visible in a limited access to productive, financial, and scientific resources. Despite activities carried out regarding the introduction of entrepreneurship as a subject in formal education, further efforts are required.

As the Montenegro economy lacks new and quality jobs on one side and since the higher education system produces too many less required educational profiles (administration, business, e.g.), Montenegro is faced with an increasing number of unemployed university graduates. The current number of unemployed persons with tertiary education is a result of the long-lasting transition process that caused a disruption in the traditional focus on vocational education, accompanied by almost 20 years of expansion of higher educational institutions (public and private), including the strong traditional belief that the university diploma will provide faster and better access to jobs. Out of the entire employed population, LFS data for 2020 shows that 31.9% obtain tertiary

³² UNDP, UNESCO, UN Women, Assessment of the Impact of COVID-19 on the Business Sector and the Growth Prospects of the Montenegrin Economy, 2020, p. 10

³³ Ibid

education (54.6% of employed with tertiary education are women), while 43.7% have secondary vocational education and 6.1% secondary general education. The share of youth in the total number of unemployed persons stood at 19.9%. The share of unemployed persons with tertiary education is 22.2% of the total number of unemployed persons. The existing cooperation between the labour market and educational institutions is of formal nature. Also, there is no efficient system of forecasting future labour market needs and demands that would be supported by a high-quality and flexible educational programme and that would, in the end, result in the better connection of the labour market and the education.

The European Commission progress report for 2020 (European Commission, 2020) states that Montenegro's economic outlook deteriorated substantially since the second quarter of 2020, as the COVID-19 quarantine measures introduced in April brought large parts of the economy to a halt.³⁴ The report reveals that the public finances, which improved in 2019, came under significant pressure in 2020 'due to fast growing costs to finance the authorities' policy response to the pandemic combined with a sharp decline in budget revenue due to lower economic activity'.

Traditional full-time employment is very strong in Montenegro. Only 4.1% of persons in employment are working part-time (LFS data 2020) which is a low percentage. Based on the PES report for 2020, out of the total number of unemployed persons, 40.05% are seeking their first job.³⁵ This implies that entering the labour market in Montenegro is hard, especially for recent graduates. Only 7.7% of persons in employment (19.9% of total unemployed persons) are young persons aged 15-24. Out of the total number of employees, 97.7% have a written contract, 1.1% have an oral agreement and 1.3% have no contract at all. Some 69.4% of employees have a permanent contract and 30.5% have a fixed-term contract.

The informal economy remains significant. However, informal economy is not easy to document. According to the National Human Development Report (2016), 67.3% of employed had their employer declaring their full salaries, while 10.4% were in position that only part of their salaries was declared, and respective taxes paid (envelope payment). The remaining 22.3% are informally employed (UNDP, 2016). In 2021 ILO conducted a survey among employed which showed that only 52.2% of the workers receive the same salary as in their contracts, while 27.9% claims that the employers register them to be receiving minimal wage and give them the rest in cash.³⁶ Undeclared work is more frequently taking place in the sectors of trade, construction, tourism and hospitality, craft, and industrial facilities of small and medium enterprises. Young people, regardless of their qualifications, are among those that are most susceptible to undeclared work, as well as the unskilled workers, older unemployed persons who lost their job in the transition process and even retirees. The main causes of undeclared work include the inflexibility of the labour market, high unemployment rate, low-profit margins, and the high tax burden on employers.

³⁴ European Commission, Montenegro 2020 Report, available at: https://ec.europa.eu/neighbourhood-enlargement/sites/default/files/montenegro_report_2020.pdf, accessed on June 18th.

³⁵ <https://www.zzzcg.me/wp-content/uploads/2021/03/Godisnji-izvjestaj-o-radu-2020-18.02.2020-ISPRAVKA-NIVO-KVALIFIKACIJE.pdf>

³⁶ <https://www.vijesti.me/vijesti/ekonomija/552537/o-odlasku-iz-crne-gore-ozbiljno-razmislja-338-odsto-radnika-a-673-odsto-mladjih-od-30-godina>

2.2.2 Wages

Favourable economic conditions have contributed to a slight growth in wages during the last few years. This holds true even during COVID-19 pandemic, however, having in mind the high level of undeclared wages the indicator might not be accurate to the real level of income. The main elements for wage formation of the employed on the national level are provided in the General Collective Agreement, while relations are defined on the level of sectors, branches, and individual enterprises, through negotiations among social partners (workers and employers' associations). Since the beginning of 2003, the Government has attempted to reduce labour price via certain cutbacks in fiscal burden on wages, thereby struggling to motivate employers to register currently employed workers or to employ new ones. However, in spite of this measure, employers still consider total labour price to be high and due to that attempt to reduce it in various ways – not registering their workers or presenting lower wages than real labour price, which is subject to calculation of payable taxes and contributions.

Since the beginning of the transition process average wages in Montenegro have recorded high nominal growth rates. However, real growth rates were negative in several periods. The MONSTAT data shows that the average net salary in 2020 amounted to EUR 524 and was 1.7% higher than the average net salary from 2019. However, consumer prices in 2020 decreased by 0.3% in relation to 2019, so the real net wages in the same period in fact increased by 2.1%. At the level of 2020, the average gross salary was EUR 783. The high growth rate of net wages was recorded in the following sectors: human health and social work activities (12.7%), education (8.4%), professional, scientific, and technical activities (7.1%), and electricity, gas, steam and air conditioning supply (6.8%). The highest average net salary is in the sectors of financial and insurance activities (EUR 960), electricity, gas steam and air conditioning supply (EUR 916) and in mining and quarrying (EUR 703). On the other side, the lowest average net salary is recorded in the sectors of administrative and support service activities (EUR 354), wholesale and retail trade (EUR 384) and accommodation and food service activities (EUR 392).

There are several reasons for the recent increase in wages in Montenegro. One of the most important factors that have contributed to this growth is a successful tax reform that significantly reduced tax rates on work. In the period from 1994 to 1999, income was taxed at progressive rates, with the effective tax rate on income exceeding 30%. A flat income tax rate of 19% was introduced in 1999 and was in force until 2002 when it again switched to progressive taxation with an effective tax rate of 14%. Such progressive taxation was in place until 2006 with mild modifications and a reduction in progressive tax rates during that time. Initially, tax rates were 0%, 17%, 21% and 25%. In mid-2004, they changed to the following rates: 16 %, 20% and 24% (0% rate was abolished), and at the end of 2004 they decreased by 1 percentage point and amounted to 15%, 19% and 23%. Since 2007, the system of progressive taxation has been abolished and a unique income tax rate of 9% has been introduced with a deferred application since 2010. In 2007 and 2008 the tax rate was 15%, in 2009 it was reduced to 12% and then a unique rate of 9% was introduced since 2010. The unique tax rate system was altered again in 2013 when a higher income tax rate (15%) for income above EUR 720 was introduced, the so-called "crisis tax". As soon as 2015, the crisis tax on higher incomes was changed to 13%, and from 2016 to 11%. In 2017, 2018 and 2019 the crisis tax rate applied was 11%. After seven years, the Government of Montenegro finally decided to abolish crisis tax and as of 1 January 2020, income tax has returned to 9%, regardless of the amount of income of the individual.

Social security contributions have undergone a number of changes in the past three decades. From the beginning of 1994 until 2005, the cumulative contribution rate was 40% (pension insurance 24%, health insurance 15% and unemployment insurance 1%) and was evenly distributed between the employer and the employee. In the period from 2005 to 2007 compulsory social security contributions accounted for 36.1% (20% for employees and 16.1% for employers). In 2008, the cumulative rate was reduced to 34%, and to 32% in 2009 (17.5% for employees and 14.5% for employers). Since 2010, the cumulative amount of the contribution was 33.8% (24% for employees and 9.8% for employers) and slightly increased in comparison with 2009.

In 2015, a slight increase in health insurance at the expense of employee occurred, with 0.5 percentage points (from 3.8% to 4.3%, so the cumulative contributions for social insurance amounted to 34.3%). As of 1 July 2019, the health insurance at the expense of employer decreased from 4.3% to 2.3%. Today, total cumulative contributions for social insurance amounts to 32.3%. The reduction of taxes created a space for an increase in net earnings. The significant growth in the tourism sector over the past few years has also caused the growth of salaries in this field. High inflows of foreign direct investments and domestic investments have contributed to the growth of salaries. In addition to these important factors, reduced grey economy and increased productivity are probable factors leading to higher earnings.

2.2.3 Information about employment conditions and protection in case of dismissals

Montenegro has achieved some level of preparation for implementing the EU rules in the field of employment conditions and protection in case of dismissals. EU rules in the social field include minimum standards for labour law, equality, health and safety at work and non-discrimination. The Parliament of Montenegro enacted a new Labour Law in December 2019, which came into force in January 2020. The new Labour Law³⁷ defines the rights and obligations of the employee as well as the conditions imposed by the employer. The Law also explains the conditions during the period of employment, as well as the protection of the employee in case of dismissal. The new amendments to the Labour law were passed in 2021, lowering retiring age from 67 to 66 with at least 15 years of paid insurance.³⁸ Additionally, the changes raised questions if the change is sustainable. The implementation of this Law was postponed for January 2022.

Concerning the dismissal of an employee, the employer may cancel the labour contract with the employee if there is a justified reason to do so. The employer should warn an employee in written form about a dismissal which includes a deadline for the employee's response which cannot be shorter than five working days. Valid grounds (justified dismissal) are related to worker's capacity, worker's conduct, and economic reasons. Dismissal is prohibited if a decision on dismissal is related to marital status, pregnancy, maternity leave, family responsibilities, temporary work injury or illness, race, sex, sexual orientation, religion, political opinion, social origin, nationality/national origin, age, trade union membership and activities, disabilities, financial status, language, parental leave, whistleblowing, birth, state of health, and ethnic origin. Workers enjoying special protection are workers' representatives, pregnant women and/or women on maternity leave, workers below eighteen years of age (minor workers), with family responsibilities (parents, adopters, foster parents

³⁷ Labour Law, "Official Gazette of Montenegro", 74/19

³⁸ Article 3 of the Law on changes of the Labour Law, "Official Gazette of Montenegro", 059/21

under the special provisions in the law) and workers with disabilities. The protection of employee's rights in case of dismissal (Article 180) states that an employee has the right to initiate a dispute in order to protect their rights within 15 days from the date of receipt of the decision before the Agency for the Peaceful Resolution of Labour Disputes or before the Centre for Alternative Dispute Resolution. If the dispute is not resolved before these authorities, the employee can initiate the procedure before the competent court. In the case of a dispute over termination of employment, the burden of proving the justifiability and legality of the reason for termination is on the employer. If there were no legitimate or justified reasons for the termination of the employment contract, the employee has the right to return to work, as well as the right to compensation for material and non-pecuniary damage, lost earnings, etc.

2.2.4 Social dialogue and involvement of workers

Social dialogue is in place in Montenegro and is established as a tripartite mechanism. It is a complex and stable mechanism that is based on a desire of social partners, government, trade unions and employers to build dialogue on mutual trust. The Constitution of Montenegro stipulates that the social position of employees is harmonised in the Social Council, which consists of representatives of trade unions, employers, and the government. The economy has ratified all six ILO labour conventions on social dialogue, the latest one being C 151– Labour Relations (Public Service) Convention – ratified in April 2019.

Social dialogue in Montenegro is regulated under three different laws, namely: Labour Law, Law on Social Council³⁹ which regulates the establishment, composition, scope of work, manner of work, financing, and other issues of importance of the work of the Social Council and Law on Trade Union Representativeness.⁴⁰

The Social Council is responsible for facilitating social dialogue in Montenegro. The Council plays a central role in negotiations on amendments to the general collective agreement and may be involved in drafting proposals for laws through establishing working groups. However, its capacity remains limited, as it can only give opinions on proposed laws and regulations within its authority. Until 2008 when the Union of Free Trade Unions was registered, there had been only one trade union association at national level, the Association of Trade Unions of Montenegro. Trade union pluralism at national and sectorial levels as well as at the level of individual employers, called for the need for recognition of their representativeness which had to be preceded by the development of a legislative framework, (i.e., the Law on the Representativeness of Trade Unions which was adopted in 2010 and recently amended). In line with the above, the successor of the former socialist trade union, the Confederation of Trade Unions of Montenegro, was granted representativeness at the beginning of November 2010, followed by the Union of Free Trade Unions by the end of the same month.

During the last changes to the Labour law, the social dialogue was absent. Namely, the last changes to the Labour law to lower the retirement age from 67 to 66 years were initiated without consultation with the relevant partners in the form of social dialogue, resulting in a regulation on earlier retirement of the workers first to be passed, but to come into force only the next year.

³⁹ Law on Social Council, "Official Gazette of Montenegro" No. 44/18

⁴⁰ Law on the Representativeness of Trade Unions, "Official Gazette of Montenegro" No. 12/18

2.2.5 Work-life balance

Work-life balance has become an important issue for both women and men in Montenegro, especially in the periods of COVID-19 lockdowns. Eurofound research (see Table 3) concluded that the work-life balance problem is much more frequent in Montenegro than it is on average in the EU. In 2016, 76% of respondents in Montenegro were too tired from work to do household jobs at least several times a month, which was much higher than the corresponding EU28 average of 59%. Furthermore, in 2016, 62% of respondents in Montenegro experienced difficulties in fulfilling family responsibilities because of work at least several times a month, again much higher than the EU average of 38%. The least common work-life balance problem was having difficulties to concentrate at work because of family responsibilities. This was reported by 41% of respondents in Montenegro in 2016 versus the much lower 19% for the EU28. It can also be noted that in all three mentioned parameters there was an increase in the percentage of misbalance between daily business tasks and life in 2016 compared to 2011 (see Table 3).

Apart from economic consequences, COVID-19 pandemic changed work-life dynamics significantly. First of all, due to the lockdowns many people's work was transferred into "at home" mode. In case of women, this disproportionately increased the burden of family care during "office hours." Also, "working at home" meant being always available which often increased working hours and/or reduced the quality of free time. Additionally, since children were not able to go to education facilities (schools and kindergartens) the care for children put additional pressure for employed parents in terms of helping children with school and taking care of them. Parents whose working conditions did not allow flexible work engagements faced problems of where to leave their children when having to go to work. Those who worked at home, experienced difficulties in doing it in parallel with caring for children.⁴¹ According to ILO study around 21% of companies enabled the use of "special" leave in response to the Government's decision to let parents of children younger than 11 years stay at home (one parent in the family) and to subsidize their paid leave.⁴²

Table 3. Work-life balance in Montenegro, 2011 and 2016 (%)⁴³

At least several times a month...		Montenegro		EU average
		2011	2016	2016
I have come home from work too tired to do some of the household jobs which need to be done	Total	72	76	59
	Men	67	75	57
	Women	78	79	62
It has been difficult for me to fulfil my family responsibilities because of the amount of time I spend on the job	Total	52	62	38
	Men	46	61	38
	Women	61	63	38
I have found it difficult to concentrate at work because of my family responsibilities	Total	31	41	19
	Men	30	41	18
	Women	31	42	20

Source: Eurofound (2017). *Living and working in Montenegro*. Eurofound (2017). *European Quality of Life Survey (EQLS)*

⁴¹ UN, Report on the Rapid Social Impact Assessment of the COVID-19 outbreak in Montenegro, April-June 2020

⁴² ILO and EBRD, COVID-19 and the World of Work Rapid Assessment of the Employment Impacts and Policy Responses Montenegro, 2021, p. 23

⁴³ More recent data is not available.

2.2.6 Healthy, safe and well-adapted work environment and data protection

Work environment in the period of COVID-19 pandemic changed significantly, imposing number of health and safety related issues. In May 2020 due to safety concerns, during the first “wave” of pandemic, 28% of small and medium enterprises in Montenegro shortened their working hours and 22% reported that they had completely suspended their operations.⁴⁴ In September 2020, 27% of small and medium companies decided to shorten their working hours and none to completely suspend work.⁴⁵ According to the enterprise survey conducted by the Montenegrin Employers Federation (MEF), in cooperation with the ILO and the EBRD, 42% of the surveyed business entities suspended operations, while 35% remained partially operational.⁴⁶ Most enterprises did implement some measures in order to adjust to the pandemic. The same study found that there was a correlation between size of the enterprises and working at home. Namely, remote working was least common among micro enterprises (28%), and much more so in large ones (80%). Also, the introduction of part-time work was less significant in micro enterprises (18%) and recurrent in large enterprises (47%).⁴⁷ This information seems relevant having in mind the structure of Montenegro economy that relies heavily on small and medium enterprises.

Given the sectoral structure of Montenegro economy, many workers are employed in high-contact positions, especially in tourism. As the restrictions are being lifted and borders opened in order to revitalise economy, many workers have been exposed to the high-risk working posts – especially in tourism. When it comes to health sector which was in the frontline of the crises, the exposure includes gender related aspect, since women account for 81% of workers in health and care sector.⁴⁸

The legislative and institutional framework for healthy, safe, and well-adapted work environment and data protection is in place in Montenegro. The Law on Safety and Health at Work in force in Montenegro defines safety and health at work as: providing working conditions not posing a risk of injury at work, occupational and work-related diseases, while also creating conditions for full physical and psychological safety of employees. The supervision of the implementation of the Law on Safety and Health at Work is conducted by the Labour Inspection through the labour inspectors for occupational safety and health at work. However, according to the National Strategy for Employment and Human Resource Development 2016-2020, the human capacities for labour inspection in general are limited, and measures focusing on strengthening the Labour Inspection, both in human resources and professional training, are needed. The Law on Safety and Health at Work states that the employer implements the protective measures by respecting the following principles: avoiding risk, evaluating risk, eliminating risk, adapting the work and workplace to the employee, especially in terms of the design of the workplaces, the choice of work equipment, the choice of working and production methods with a particular emphasis on the alleviation of monotonous work and work at a predetermined work-rate and reducing their effect on health, adapting to technical progress, replacing the dangerous by the non-dangerous or less dangerous, developing a comprehensive policy for the safety and health at work, which includes technology, organisation of work, working

44 UNDP, Assessment of the impact of COVID-19 on the business sector and the growth prospects of the Montenegrin economy, p.26

45 Ibid.

46 ILO and EBRD, COVID-19 and the World of Work Rapid Assessment of the Employment Impacts and Policy Responses Montenegro, 2021, p. 23

47 Ibid.

48 Ibid, p. 34

conditions, interpersonal relations, and working environment factors, giving advantage to collective protective measures over individual protective measures, and giving appropriate instructions and information to employees.

The Montenegro authorities adopted the Strategy for Improvement of Safety and Health at Work of Employees 2016-2020 in July 2016 in order to improve the situation. The Strategy states that the principle of occupational safety and health (OSH) at work is a constitutional principle in Montenegro. Every employee has the right to adequate earnings, as well as the right to a limited working time and paid vacation. The health and protection of employees is one of the key areas of the sectoral policy that connects health, human rights, social cohesion, and progress of society. The amended Law on Safety and Health at Work was adopted in 2018. The reasons behind amendments are the requirements mentioned above and the need to harmonise national legislation with the European Union acquis, conventions and recommendations of the International Labour Organisation and other sources of international law, as one of the conditions for joining the EU. In this sense, the mentioned law integrates the Framework Directive of the Council 89/391/EEC on the introduction of measures to encourage improvements in the safety and health of employees at work. In addition, Montenegro has the obligation to comply with the Directive of the European Parliament and of the Council 92/57 / EEC on minimum requirements for protection and health at work on temporary or mobile construction sites.

The Agency for Personal Data Protection and Free Access to Information is responsible for employee data security. On the legislative side there is the Personal Data Protection Law with the provisions of the GDPR (General Data Protection Regulation). The GDPR provides for the obligation of the data controllers and processors of personal data to appoint a personal data protection officer who will be the first contact point in the event of a violation of the right. By adopting the new Law on Personal Data Protection that transposes the provisions of the GDPR, the level of protection of personal data for citizens of Montenegro will be improved.

2.3 Social protection and inclusion

2.3.1 Childcare and support to children

A strategic and institutional framework for childcare and support to children is in place and significant sources are devoted to childcare. High quality childcare can have a positive influence on children's development and school readiness by providing valuable educational and social experiences. The main focus of childcare is put on the development of the child, whether that be mental, social, or psychological. High quality childcare is characterised by having well-qualified, well-paid, and stable staff, low child-adult ratios, and efficient management, as well as offering a programme that covers all aspects of child development (physical, motor, emotional, social, language and cognitive development). As an increasing number of mothers are in the workforce and most children aged 3 and older now attend a childcare facility on regular basis, it has become critical that young children from all backgrounds have access to high-quality childcare and early education. Early childcare is an equally important and often overlooked component of child development. Childcare providers can be children's first teachers, and therefore play an integral role in systems of early childhood education.

Availability of data on children age less than 3 years in formal childcare improve with the implementation of the MICS survey. In 2019, MONSTAT completed the Multiple Indicator Cluster Survey (MICS) with support of UNICEF. This survey includes valuable data for monitoring the situation of children and women by utilising number of internationally standardised indicators. The Early Childhood Development Strategy is being prepared within the initiative "EU and UNICEF for Early Childhood Development in Montenegro". The timeframe of this initiative is August 2020 – July 2030. This strategy will target children (0-6 years), parents/caregivers, service providers, institutions and decision makers.

Pre-primary childcare and education are part of the uniform education and childcare system, which is performed in accordance with the educational programme of pre-primary education, and it covers children up to the enrolment at primary school. Montenegro has 44 pre-primary institutions, of which 21 institutions are public and 23 are private, with a network of 158 childcare units and 815 organised childcare groups in these units. The total number of children enrolled in pre-primary institutions in the school year 2020/2021 is 21.318⁴⁹. Of the total number of enrolled children, 47.7% (10,176) are girls and 52.3% (11,142) boys. The number of enrolled children decreased by 7.6% in comparison with the previous school year. Children enrolled in public institutions account for 97.2% of the total number of children. The average number of children per educational group in a public pre-primary institution is 28, and in private institutions 9. The number of children that are registered in public or private pre-primary institutions is decreasing, while the number of child-care workers is increasing.

The legislation that provides child protection is the Law on Social and Child Protection. The Law provides the right to the following benefits: material security, personal disability allowance, care and assistance supplement, health protection, funeral expenses, one-time financial assistance, a fee for

⁴⁹ <https://www.monstat.org/uploads/files/obrazovanje/predskolsko/Predskolsko%20obrazovanje%20i%20vaspitanje%202020-2021.%20godina%20ENG.pdf>

a new-born baby, child allowance, reimbursement of salary compensation and salary compensation for maternity or parental leave, childbirth compensation, reimbursement of salary compensation and wage compensation for half- and full-time work. The Law was amended in 2014, 2016, 2017 and 2021⁵⁰. Basic rights in the area of child protection include: 1) provision of necessary supplies for a new-born baby; 2) child allowance; 3) allowance for childbirth; 4) wage compensation for half-office hours; and 5) relaxation and recreation of children. The Law on Social and Child Protection defines that social and child protection is an activity through which measures, and programmes are provided and implemented and target individuals and families with unfavourable personal or family circumstances, which include support, prevention, and assistance in meeting basic living needs. Social and child protection aims to improve the quality of life and empower independent and productive life of individuals and families. The CSW, or other guardianship body, is obliged to provide appropriate forms of assistance and support to parents and take necessary measures to protect the rights of the child, including initiating proceedings for limiting and depriving of parental rights and undertaking various measures of custody for children and adult persons deprived of their business ability. In addition to basic material support for social protection, the Law also defines basic material support for childcare: 1) compensation for a new-born baby; 2) child allowance; 3) cost of nutrition in pre-school institutions; 4) assistance for the upbringing and education of children and youth with special educational needs; 5) reimbursement of salary compensation and salary compensation for maternity or parental leave; 6) compensation based on the birth of a child; and 7) reimbursement of salary compensation and wage compensation for half- and full-time work. In the latest amendments to the Law which were passed in 2021, a universal allowance for up to five children per family up to six years were introduced. This law will be enforced on October 1st 2021.

The strategic goals in this field are being developed in the Strategy for the development of the system of social and childcare in the period 2018/2022 and the Strategy for achieving rights of children (2019-2023).⁵¹ The Strategy for achieving the rights of children is a national, multisectoral document that plans activities and goals with the purpose to achieve children rights in accordance with the UN Convention on the Rights of the Child. The Report on the Implementation of the Strategy for Exercising the Rights of the Child 2019-2023 for the period 2019-2020 was adopted by the Government of Montenegro at the proposal of the Ministry of Finance and Social Welfare. An Action Plan on the implementation of the Strategy for 2021/2022 was also adopted. The Report on the implementation of the Action Plan for 2021 will be prepared by the Ministry of Health.

COVID-19 pandemic had a severe impact on children, adolescents and young people in Montenegro, exacerbating existing equity gaps and highlighting systemic weaknesses. During the crises, the children became more vulnerable to poverty, violence and social exclusion and less able to acquire the knowledge and skills required for a smooth transition to adulthood. The schools were closed, and education organized digitally, which impacted quality of education, especially when it comes to vulnerable groups of children, who lacked access and support.⁵²

Data from SILC (December 2020)⁵³ shows that children are more exposed to the risk of poverty. The risk of poverty rate declined from 24.1% (2014) to 23.8% (2018) but it increased again to 24.5% in 2019. The rate of risk of poverty or social exclusion in 2019 was 30.5% and compared to 2018 it

⁵⁰ <http://www.csrg.me/index.php/propisi/zakoni>

⁵¹ Available at: STRATEGIJA ZA OSTVARIVANJE PRAVA DJETETA 2019-2023 (www.gov.me)

⁵² UNICEF, 2020 results for children in Montenegro, p. 2

⁵³ https://www.monstat.org/uploads/files/EU%20SILC/RELEASE_Survey_on_Income_and_Living_Conditions_EU-SILC_2019.pdf

decreased by 0.9 percent points. Also, the rate of material deprivation of households shows that 12.0% of population in Montenegro cannot afford at least four out of nine material deprivation items, which is 0.9 percent point decrease compared to 2018.

2.3.2 Social protection

During COVID-19 pandemic, the government has initiated number of measures in order to strengthen social protection system. Those measures included financial support to families who receive financial support, pensioners with minimum pensions and one-time assistance to all registered unemployed persons who do not receive financial compensation or material security. Another example would be that the government enabled subsidies for electricity bills or that one parent of a child not older than 11 was entitled to a paid leave from work.

Public spending on social protection in Montenegro is significant, but numerous problems still exist, which calls for deeper analysis of the entire system of social protection. The goal of social and child protection is to ensure the protection of families, individuals, children at risk and persons in the state of social need or social exclusion. Protection of the poor and vulnerable households from the effects of crisis and providing for potentially new beneficiaries of social protection rights requires more active approach (UNICEF, IDEAS and Institute for Social and Child Protection, 2019: 8). In particular, targeting and adequacy of social welfare as well as improved monitoring are needed, together with better tracking of needs for social assistance in order to meet the needs of the new poor and vulnerable, whose poverty may be only temporary (under the influence of the effects of crisis).

Even before the effects of the global financial crisis were experienced in Montenegro, the government focused on reforming the social welfare system, with the aim of strengthening social cohesion in the economy. Priority was given to establishing mechanisms that guarantee an adequate level of social welfare, equal opportunities for all citizens, protection of most vulnerable groups and the development of mechanisms of prohibition of social exclusion and discrimination. Equal attention was paid to encouraging employment and respecting the rights of workers, which is an indispensable part of social cohesion but also a significant factor in the social security system. Regardless of the effects of the crisis, budgetary constraints and the need for saving, there was no significant reduction in the allocations for social protection rights. Also, it is important to emphasise that payments based on rights in these areas are regular and are treated as a priority.

The Ministry of Finance and Social Welfare is the institution responsible for managing the entire system of social welfare in Montenegro. Institutions responsible for the implementation of social welfare are the CSWs (social assistance), residential institutions (institutional care), the Pension and Disability Insurance Fund (pension and disability insurance), Health Insurance Fund (health insurance) and the PES Montenegro (insurance against unemployment, active employment policies). The most important forms of social protection rights are the following: family support allowance (FMS), child allowance, care and assistance of another person, personal disability allowance and placement with another family, placement in institution and non-institutional services.

Social protection is now focused on improving the status of citizens on a personal, family and even social level, strengthening social cohesion and nurturing independence and the ability of people to help themselves. A systemic, holistic perspective has been introduced but faces some

implementation problems such are: lack of proactivity and prevention, lack of community based holistic approach, lack of empowerment of the beneficiaries and misbalance of power between them and case workers, inadequate number of social care workers to provide high quality care, non-developed system of monitoring of internal distribution of the workload, inadequate information system, challenges in applying supervision model and inadequate job standardisation (ibid.: 8-11). A key area of the reform of social and childcare system is to improve the work of the CSWs. The reform process entailed a complete reorganisation of the CSWs (for number of institutions that provide certain type of assistance, see Table 4) which, in addition to structural ones, included changes to the methodology of work. The most significant change relates to the application of a new approach and way of working with users through the introduction of case management concept which replaces former work within professional teams. A system of supervision has also been introduced which ensures that the CSW tasks are performed through professional support and learning. Funds for basic material and social and childcare services are provided in the public budget, in accordance with the law. Family material support (FMS) is the most common social welfare assistance (see Table 5), used by 31 066 people in Montenegro. The municipal budget may provide funds for material support for social and child protection prescribed by the Law on Social and Child Protection⁵⁴ and for social and childcare services, such as home help, living room, public kitchen services, children's holiday, and recreation, supported housing, accommodation in a shelter, housing for socially vulnerable persons, including for other services based on the availability of funds. If municipalities are not able to provide funds for services, the government will participate in their financing, in accordance with this Law.

Table 4. Social welfare institutions 2019

	Institutions	Beneficiaries / Total
Institutions for children and youth	19	388
Deprived of parental care	1	72
Mentally and physically handicapped	17	298
With behaving disorders	1	18
Institutions for adults	4	512

Source: MONSTAT / Statistical Yearbook 2020⁵⁵

Table 5. Social welfare beneficiaries 2014-2018

	2014	2015	2016	2017	2018	2019
Family material support (number of families)	13 644	11 463	8 961	7 987	9 319	8 777
Family material support (number of members)	40 359	36 86	26 873	24 586	31 066	29 470
Personal disability allowance	1 876	2 033	2 222	2 343	2 500	2 608
Care and support allowance	8 947	11 439	14 856	14 539	15 298	17 573

Source: MONSTAT / Statistical Yearbook 2020⁵⁶

54 <http://www.zzzcg.me/wp-content/uploads/2015/05/Zakon-o-socijalnoj-i-djecjoj-zastiti.pdf>
55 http://monstat.org/eng/publikacije_page.php?id=1674&pageid=1
56 http://monstat.org/eng/publikacije_page.php?id=1674&pageid=1

One of the main weaknesses of the social protection system remains cooperation among institutions. This problem was emphasized in the period of COVID-19 pandemic. For example, nongovernmental organisations that work with victims of violence reported that this problem escalated, as the institutions were not coordinating their activities.⁵⁷ In 2015, there was an initiative to mitigate the problem of the lack of cooperation among institutions by implementing a relevant project. The project Cooperation between Employment Agency and Centres for Social Work was implemented in the period from 2015 to 2017. The main goal was to provide support through training PES and CSW employees in providing support for the hard-to-employ persons (specifically persons with disabilities and the Roma and Egyptian populations) and their integration into the labour market. The project consisted of four components which were related to strengthening the capacities of PES and CSWs through different training initiatives, improving cooperation between those institutions in the process of activation of hard-to-employ persons and formalisation of their cooperation by signing an agreement of cooperation. In order to eliminate the above-mentioned problems and improve the overall quality and efficiency of providing activation services, PES and CSWs signed an agreement on the process of social activation of work-capable beneficiaries of FMS.

According to the agreement, the term “social activation” is used for the new, integrated work approach of both institutions (CSW and PES) in order to enable the target group to solve problems with the support of these institutions, to strengthen and develop skills for active overcoming of unfavourable social situations, better inclusion in the labour market and / or higher social inclusion in society.

The need for CSWs and PES to ensure the provision of quality and efficient services based on the individual needs of users for the purpose of their employment and social inclusion persists.

This implies implementation of improved working methods with target groups of users with the aim of engaging in various forms of social activation and social inclusion, as well as improving the competencies of people from the target groups of beneficiaries and improving the conditions for their employment and social inclusion. There is a need to collect information on new services and include new providers of activities and services (e.g., educational institutions, NGOs, employers, etc.). The agreement states that time and budget resources could be saved by reducing fragmentation and duplication of efforts invested in working with the same user groups. Adequate monitoring, evaluation and adjustment of planned activities and results should also be ensured.

In cooperation with UNICEF the Government have prepared Road of reforms, a document that outlines future transformation of social assistance and social and child protection services in Montenegro.

The document includes 15 reforms which are agreed. Those reforms include 1) mainstream social protection for traditionally excluded groups to allow social protection for those vulnerable to poverty and marginalization, irrespective of their status as migrants, refugees or displaced persons, 2) ensuring the delivery of essential services within each municipality or as shared provision across multiple municipalities while ensuring it is accessible for those who might need these supports, 3) strengthening the approach to grievance management ensuring that clear feedback loops exist between complaints and programme reform, 4) increasing the benefit value of the social and child protection benefits with the view of enabling beneficiaries to afford a productive life, implying access to all necessities but also access to human capital accumulation services, opportunities and skills for enhancing labour productivity, 5) providing tapered social assistance linked to activation of young adults to support the transition from social assistance to activation in the medium term, 6) creating social protection system that is responsive to the needs of Roma and Egyptian communities

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57 UN, Report on the Rapid Social Impact Assessment of the COVID-19 outbreak in Montenegro, April-June 2020

through specialized community based services and support to improve uptake of education, health care and prevent child marriages and increase their labour market and participation, 7) legislation of the use of robust evidence gathered through simulation, needs assessments, grievance redress and feedback loops to inform policy changes, 8) expansion of the capacity and awareness and identifying the roles of the Ministry of Finance and Social Work and other ministries in implementing, monitoring, evaluating and financing social and child protection, 9) strengthening the capacity and availability of social workers at the CWs to support case management and referrals system, 10) ensuring costing, fiscal sustainability and financing plan support the decision surrounding continuation and discontinuation of policies, 11) ensuring that service delivery is financially feasible and sustainable for service providers, 12) digitizing data systems at municipalities and enabling the exchange of data on social and child protection benefits and services between municipalities and centre, 13) considering the development of integrated packages of benefits and services in the areas of social protection, women’s empowerment, the inclusion of persons with disabilities, Roma and Egyptian communities and reintegration of migrants, 14) making the social protection system shock-responsive and strengthen it to provide preventive support pre-crisis for cyclical or anticipated shocks as well as protective support post-crisis that erode the productive or copying capacity of households and 15) extending the right to social protection for informal and vulnerable employment alongside stronger employment policies aimed at boosting demand for labour, labour policies for job security and active labour market policies (such as training and upskilling).⁵⁸

2.3.3 Unemployment benefits

The number of users of unemployment benefits kept increasing since 2017. Since 2012 the unemployment rate in Montenegro has been decreasing – from 19.7%⁵⁹ to 15.2% in September 2019⁶⁰ - in line with the rate of users of unemployment benefits. Due to COVID-19 the unemployment rate increased again in 2020 to 17.9%⁶¹. In 2020, on average, 12 627 unemployed persons used unemployment benefits and the total funds allocated for financial compensation in 2020 were higher than in the previous years - EUR 17,669,394.25⁶².

In order to qualify for obtaining unemployment benefits a person must be registered at the PES and must be capable or partially capable of work and actively seeking employment.⁶³ An unemployed person is a person aged between 15 and 67 years who is a citizen of Montenegro, as well as a foreigner with granted permanent residence, a recognised refugee status or an approved supplementary protection. An unemployed person is entitled to receive financial compensation, and health, pension, and disability insurance during the use of this compensation. The right to receive financial compensation is provided to an insured person who, prior to termination of employment, had an insurance period of at least 9 months continuously or with interruptions in the last 18 months. The insured person who has part-time employment is entitled to receive financial compensation if, after redistribution of working hours, s/he fulfils the above conditions. An insured person has the

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58 UNICEF, Roadmap of reforms: Social Assistance and social and child protection services in Montenegro, p. 14

59 <https://www.monstat.org/userfiles/file/ars/2012/zamj/I%20S%20P%20R%20A%20V%20K%20A%20-%20%20za%20ARS%20sa%20prevodom.pdf>

60 https://www.monstat.org/userfiles/file/ars/2019/3/ARS%20saopstenje_2019_Q3_en.pdf

61 http://monstat.org/uploads/files/ARS/2020/ARS%20saopstenje_2020_en.pdf

62 <https://www.zzzcg.me/wp-content/uploads/2021/03/Godisnji-izvjestaj-o-radu-2020-18.02.2020-ISPRAVKA-NIVO-KVALIFIKACIJE.pdf>

63 <http://www.zzzcg.me/nezaposlenii/>

right to receive financial compensation in the sense of a special law, if their employment contract was terminated without their consent or guilt and if the person registered with the PES within the prescribed time limit. The financial compensation is 120% of the coefficient value determined in accordance with the law and other regulations. Invalidity of Work II and III category entitles the holder of the right to a monetary allowance in the amount of the lowest pension in Montenegro established by the Pension and Disability Insurance Act. The conditions for obtaining the right to financial compensation, the exercise and termination, the length of time, the amount of the financial compensation and the re-acquisition of this right are established by the Law on Employment and Exercising Rights with respect to Unemployment Insurance.⁶⁴

2.3.4 Minimum income

During 2021 the minimum wage was increased, but this change will be enforced in October 2021. Minimum income is established by legislation; however, there are numerous debates on its appropriateness. A form of minimum wage where defined coefficients, which depend on the level of education, are multiplied by the minimum labour cost was introduced in Montenegro in 1994 by the General Collective Agreement⁶⁵. In 2018 the Labour Law⁶⁶ implemented the concept of minimum wage according to international practice, which is now applied in the new Labour Law (2019). Today, there are two levels of protection in Montenegro. The first level of protection represents the system of coefficients in the General Collective Agreement and the basic labour cost, which is transformed into the gross calculated value of the coefficient. An additional level of protection is the introduction of a minimum wage by the Labour Law, so that no employee can earn a full-time job wage which is lower than 30% of the average salary. The agreement of the government, trade unions and employers, which was reached in 2013, stipulates that the minimum wage is established in the nominal amount of EUR 193, which is about 40% of the average salary in Montenegro. The level of minimum wage in Montenegro has increased as of 1 July 2019 and it amounted EUR 222 a month which represented a 15% increase. In May 2021, the Parliament adopted amendments to the Labour Law, which raised the minimum wage of 222 euros to 250 euros, and the new amount will be applicable as of 1 October 2021. Compared to average net salary in April 2021⁶⁷ (EUR 529) the minimum wage was increased from about 42% of the average salary to about 47% of the average salary.

In Montenegro there are no specific minimum wage levels that apply to specific groups, such as young people for example. Analysing the data on developments of the minimum wage and other economic indicators for the period from 1994 until today in Montenegro, it can be concluded that the increase in the minimum wage does not affect the average wage developments, while at the same time it affects the reduction of employment and the increase in unemployment, i.e., the increase in informal employment (Katnic, 2017). The data does not indicate that the increase in the minimum wage, in nominal and relative terms, in previous years has led to an increase in tax revenues from labour, which are more constant than the percentage of GDP and are about an average of 15% of GDP.

⁶⁴ Since April 30 2019 the new Law is into force <https://www.zzzcg.me/wp-content/uploads/2019/11/Zakon-o-posredovanju-pri-zaposljavanju-i-pravima-za-vrijeme-nezaposlenosti-2.pdf>

⁶⁵ General collective agreement, "Official Gazette of Montenegro", No. 014/14

⁶⁶ <http://www.privrednakomora.me/multimedija/rad-i-radni-odnosi/zakon-o-radu>

⁶⁷ <https://www.monstat.org/uploads/files/zarade/2021/4/Average%20earnings%20april%202021.pdf>

2.3.5 Old age income and pensions

SILC survey (2019) showed that elderly dependent on their income is more exposed to risk of poverty compared to a few years ago. This supports current debate and launch of pension system reform in Montenegro. The SILC survey from 2019 shows that for single-member households in which the member is older than 65, the risk of poverty rate was 16.5%, which is 3.3 percentage points more than in 2013. The Pension and Disability Insurance Fund (PIO Fund) is an institution that primarily takes care of the pension system of Montenegro and acts in accordance with the Law on Pension and Disability Insurance. The Law on Pension and Disability Insurance has been amended many times since the reform of the pension system (started in 2003) and the system covers most elderly people. However, only about 42% of the working age population contribute to the system, which means that future coverage ratios will decline.

Table 6. The ratio of the number of pensioners and the number of employees in Montenegro; monthly data 2017-2020

	2017			2018				2019				2020			
	Number of pensioners	Number of employees	Ratio	Number of pensioners	Number of employees	Ratio	Avg. pension (€)	Number of pensioners	Number of employees	Ratio	Avg. pension (€)	Number of pensioners	Number of employees	Ratio	Avg. pension (€)
Jan	108 499	177 058	1:1.63	114 279	178 160	1:1.56	285.98	114 729	194 589	1:1.70	289.41	114.791	193.423	1:1.69	288.92
Feb	108 702	178 112	1:1.64	114 413	179 035	1:1.56	285.81	114 828	195 353	1:1.70	289.26	114.873	189.933	1:1.65	288.78
March	108 824	179 783	1:1.65	114 447	181 260	1:1.58	285.56	114 831	197 594	1:1.72	289.07	114.863	187.251	1:1.63	288.78
April	108 895	181 687	1:1.67	114 463	184 039	1:1.61	285.38	114 681	200 595	1:1.75	289.11	114.789	184.607	1:1.61	288.71
May	108 936	185 886	1:1.71	114 420	189 341	1:1.65	285.28	114 719	205 164	1:1.79	288.83	114.745	181.030	1:1.58	288.59
June	109 098	188 167	1:1.72	114 497	196 539	1:1.72	285.03	114 730	213 488	1:1.86	288.67	114.807	178.178	1:1.55	288.41
July	113 394	191 770	1:1.69	114 524	198 987	1:1.74	284.85	114 794	215 181	1:1.87	288.51	114.765	174.170	1:1.52	290.06
Aug	113 740	188 161	1:1.65	114 544	195 041	1:1.70	284.55	114 751	210 455	1:1.83	288.27	114.679	172.154	1:1.50	290.24
Sept	117 717	184 719	1:1.57	114 424	195 784	1:1.71	284.57	114 457	205 650	1:1.80	288.31	114.311	168.778	1:1.48	290.73
Oct	113 971	177 369	1:1.56	114 504	194 555	1:1.70	284.32	114 644	202 787	1:1.77	287.95	114.765	165.961	1:1.44	290.96
Nov	114 099	178 078	1:1.56	114 673	194 756	1:1.70	284.95	114 769	203 123	1:1.77	287.63	114.847	163.851	1:1.42	290.85
Dec	114 140	177 627	1:1.56	114 676	194 085	1:1.69	283.80	114 739	198 566	1:1.73	287.48	114.880	160.978	1:1.40	290.78

Source: Fund PIO database ⁶⁸

⁶⁸ <https://www.fondpio.me/statistika/>

The Pay-As-You-Go (PAYG) pension system is a system of intergenerational solidarity where current pensions are financed by current contributions from employees. The pension system in Montenegro is continually faced with sustainability problem due to the poor labour market conditions such as high unemployment rates and presence of unregistered work, negative demographic trends such as the declining fertility rates and population aging. The ratio of the number of employees who pay contributions and pensioners whose income is financed from these contributions is becoming more concerning (see Table 6).

In 2020 the ratio of the number of employed to the pensioners in Montenegro was 1:1.40. It is clear that the existing pension system is hardly sustainable. The most favourable ratio was in early 1980s with 3:1, which at the beginning of the 1990s began to drastically change. With a sharp increase in the number of pensioners, due to the temporary retirement, the average pension has fallen relative to the average salary. In absolute numbers, in December 2020, the average salary in Montenegro was EUR 527, and the average pension about EUR 290.78. The government gradually increased the retirement age through reform but the situation in the pension fund did not significantly improve. According to the Law on Pension and Disability Insurance⁶⁹, old age pensioners, when the interim solution expires in four years, can leave at 66 years of age (men) and 64 years of age (women) and at least 15 years of service; with 40 years of service, and 61 years of age; with 30 years of service of which at least 20 in workplaces where the insurance period is calculated with an increased duration. The right to an old-age pension, in accordance with this condition, can be exercised until December 31st, 2021. Table 7 provides an overview of the numbers and types of pension and disability insurance beneficiaries.

Table 7. Pension and disability insurance beneficiaries

	2014	2015	2016	2017	2018	2019	2020
Beneficiaries							
Old-age pensions	58 027	61 037	59 007	63 756	64 913	65 610	66 568
Disability pensions	22 806	22 509	21 275	21 448	20 894	20 343	19 502
Survivor benefits	28 837	28 816	28 196	28 936	28 869	28 786	28 810
Compensation for disability	5 302	5 075	4 815	4 576	4 334	4 115	3 871
Aid and care compensation	1 039	974	906	838	782	733	679
Expenditures, in 000 EUR							
Old-age pensions	218 172	222 429	227 282	235 114	246 570	251 973	-
Disability pensions	68 775	67 308	65 847	65 743	65 734	64 837	-
Survivor benefits	76 276	76 132	76 832	79 220	81 397	82 731	-
Foreign pensions	9 161	9 468	9 655	10 081	10 323	10 962	-
Compensation for disability	2 854	2 703	2 596	2 626	2 629	2 435	-
Aid and care compensation	2 458	2 688	2 113	1 979	1 891	1 799	-
Other compensations	2 458	2 268	2 113	6 501	6 206	6 133	-
Contributions for health insurance*	-	-	-	-	-	-	-
Other costs	4 805	5 286	6 217	5 696	5 728	5 686	-

Source: PIO Fund/ MONSTAT / December 2020⁷⁰ / *contributions for health insurance are not paid since 2010



⁶⁹ <http://www.fondpio.me/zakoni/zakonOpio.html>

⁷⁰ <https://www.monstat.org/uploads/files/publikacije/godisnjak%202020/26.pdf>; <https://www.fondpio.me/statistika/>

In August 2020, the government passed the changes to the Law on Pension and Disability Insurance and introduced new retirement age, conditionality for retirement as well as the new pension calculation formula. After long negotiations with trade unions the old-age retirement is set for 40 years of contributory service and 61 years of age (lowered from 65). The latest amendments of the Law on pension and disability insurance (that came into force on August 12th, 2020) introduced a new condition for persons who exercised the right to a pension with 40 years of contributory service periods, regardless of the completed age. For these persons the age limit of 61 years of age is set. If an insured person does not fulfil 40 years of service, the age requirement is 66 years for men and 64 for women and minimum 15 years of service. Additionally, it was agreed that until 2028 the age limit for special case old-age pension would be increased to 63 years for both women and men, in order to achieve equality. In addition, government agreed that all years of service will not be used for the calculation of pension (which is currently according to the law), but one-quarter (ten) of the worst, unbridled years should be excluded from the calculation (until 2030).

The goals regarding protection of the older population are defined by the Strategy for social protection of the older people which was passed in 2018 and will be implemented by 2022. The main strategic goal of this document is improvement of the social protection of the older people in Montenegro with the integrated services and support in order to improve the quality of their life.

2.3.6 Health care

Since the breakout of the COVID-19 pandemic and the first reported case of infection in Montenegro, health care system has been on the frontline. Until July 5th⁷¹ 100,338 people got infected with coronavirus and many of them required some level of health care. Persons with easier symptoms were directed to home care, while those with more severe symptoms were committed to the hospitals. At some points of pandemic, the number of people that required medical assistance put significant pressure on the health system. After the declaration of pandemic, the Government of Montenegro undertook number of actions to enhance the capacities of the health system, especially in the field of early detection and monitoring. The health system workforce in Montenegro included approximately 8,300 professionals. The network of epidemiologists supporting case investigation and contact tracing at local and regional level, coordinated by the Institute of Public Health. Laboratory was organized in order to better monitor the infection, though especially at the beginning with very limited resources.⁷²

At the beginning of pandemic Montenegro had one national laboratory with limited capacity to handle PCR testing. In time, the capacities of the lab were increased, and testing introduced in private laboratories as well. The “Country Preparedness and Response Plan” identified the following priorities of the health system in order to more efficiently fight the pandemic: Infection Prevention and Control, Surveillance and Case investigation, Case Management, National Laboratory, and Points of Entry.⁷³ In response to the COVID-19 pandemic, Montenegro took decisive steps to contain and prevent community transmission by imposing measures to “flatten the contagion curve”.



⁷¹ July 5th 2021

⁷² World Bank (2020) COVID-19: Country Preparedness and Response Plan Montenegro, p. 7, available at: <https://montenegro.un.org/sites/default/files/2020-04/Country%20Preparedness%20and%20Response%20Plan%20Montenegro.pdf>, accessed June 5th 2021

⁷³ Ibid, p. 8.

Those measures included physical distancing, self-isolation, and quarantine at different stages of pandemic.

The main coordinating body until December 2020 was the National Coordination Body for Communicable Diseases which was established in February 2020. Together with Institute for Public Health and Ministry of health this body provided inputs with proposal measures to support decision-making regarding management of pandemic. Members of this body were representatives of the Ministry of Health, Institute of Public Health of Montenegro, Clinical Centre of Montenegro, Directorate for emergency of the Ministry of Interior, Primary health care centres, Agency for procurement of Pharmaceutical "Montefarm" (drugs and medical equipment), Directorate for Health and Sanitary Inspection, Ministry of Internal Affairs, Directorate for Police, Ministry of Defence, Ministry of Transport, Ministry for Sustainable Development and Tourism, Airports Authorities of Montenegro, Red Cross of Montenegro, representatives from Prime minister Cabinet and other sectors.

The newly-elected government established the National Advisory Board for combating coronavirus whose members are minister of health, minister of defense, minister of finance and social care, minister of economic development, minister of education, science, culture and sport, minister of public administration, digital society and media and an epidemiologist.

Health care is accessible to all citizens of Montenegro. The Health Insurance Fund of Montenegro is an institution that provides rights to health care and health insurance. The synchronised operation of the Fund in the health care and health insurance system enables better control, more rational and dedicated spending of funds, as well as more creative policy management. In order to achieve better quality of the rights of its insured, the Fund has its organisational units in all municipalities in Montenegro. The insured person holds rights in accordance with the Law on Health Insurance. This Law regulates the rights under compulsory health insurance and the exercise of these rights, financing of compulsory health insurance, supplementary health insurance, contracting health care with providers of health services, as well as other issues of importance for exercising the rights under health insurance. The rights under compulsory health insurance are: right to health care; right to compensation for earnings during temporary incapacity for work; and right to compensation of travel expenses related to the use of health care. The right to health care includes: promotion of health; disease prevention; diagnosis, examination and treatment, including measures of early identification and prevention of progression of damage; rehabilitation and specialised medical rehabilitation; continuous health care; dental health care; emergency and emergency medical assistance; dialysis; transfusion medicine services; medicines and medical devices; and medical-technical aids.

Certain data related to health care are not regularly updated. For instance, there is no frequently produced data on self-reported unmet needs for medical care, etc. Improving the monitoring is important so that such statistics could provide more recommendations for policy makers.

2.3.7 Inclusion of people with disabilities

According to 2011 Census data, there were 11% of people that have limited ability to perform their daily activities due to a long-lasting illness or disability (approximately 68,000 people). During the pandemic, people with disabilities were exposed to additional health risks because of their disabilities. Due to the restrictions of the movement and contact they lacked support not only by

professionals but also by their family members and assistants.⁷⁴ In the Rapid Social Impact Report which included interviews with people with disabilities, many of them indicated that they needed psychological support during the pandemic.⁷⁵

Montenegro made some improvements regarding the legislative and institutional framework for the protection of persons with disabilities. The Law on the Prohibition of Discrimination against Persons with Disabilities (LPDPD) was adopted in 2015 with the intention to harmonise national legislation with the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD). In 2016, the new Strategy for the Integration of Persons with Disability for the period 2016-2020 was adopted. The Government had also adopted the Strategy for the Protection of Persons with Disabilities from Discrimination and Promotion of Equality 2017-2021, which followed the areas of activities and timeframe of the European Disability Strategy 2010-2020. However, according to the report on disabilities for 2017/2018 prepared by the General Director of the Directorate for Youth in the Ministry of Sport, the majority of other national laws and bylaws had not been harmonised with the LPDPD and UNCRPD.⁷⁶ The big obstacle to monitor the efficiency of measures and activities aimed at improving the social inclusion of people with disability is the lack of comprehensive and adequate quantitative and qualitative data related to disability.⁷⁷ Also, the report by the Informal Coalition of organisations of persons with disabilities (OSI) in Montenegro highlighted that there is no single database on persons with disabilities, and that the government does not use the unified definition of persons with disabilities in line with the UN Convention.⁷⁸

There is an evident increase of the number of persons with disabilities who are employed both with temporary or permanent contracts which can be attributed to the subsidies that are made available by the Government. Since the organizations dealing with the issue of disability are financed through the project activities, as any other NGOs is, an increased number of employment is evident in the real sector, especially where persons with disabilities are employed with permanent contracts. Although, this number is no direct evidence when comparing it with the total number of unemployed persons with disabilities, improvements have been made. **The main feature is still inefficient implementation of the Law on Professional Rehabilitation and Employment of Persons with Disabilities.** Although Montenegro introduced the Law on Professional Rehabilitation and Employment of Persons with Disabilities in 2011, which proscribes that an employer, who has between 20 and 50 employees, is obliged to employ at least one person with a disability, and an employer, with more than 50 employees is obliged to ensure that at least 5% of its workforce are people with disabilities,⁷⁹ the majority are actually still employed in organisations dealing with the issue of disability. According to the PES, there are only 2% of employees with disabilities, regardless of the incentives provided to employers for these purposes by the government. Most employers still prefer to pay the prescribed financial levy to the Fund for Professional Rehabilitation and Employment of Persons with Disabilities instead of hiring persons with disabilities.⁸⁰

74 UN, Report on the Rapid Social Impact Assessment of the COVID-19 outbreak in Montenegro, April-June 2020, p. 40
75 Ibid.

76 Report on the European Semester 2017/2018 – Montenegro: <https://www.disability-europe.net/country/montenegro>

77 Report on the European Semester – Montenegro: <https://www.disability-europe.net/country/montenegro>

78 Centre for Democracy and Human Rights, Analysis of Position and Protection from Discrimination of Disabled Persons in Montenegro: https://www.cedem.me/images/jDownloads_new/Analiza_polozaja_i_zastite_od_diskriminacije_OSI.pdf

79 Law on Professional Rehabilitation and Employment of Persons with Disabilities

80 Report on the European Semester 2017/2018 – Montenegro: <https://www.disability-europe.net/country/montenegro>

The Law on Professional Rehabilitation and Employment of Persons with Disabilities contributed to establishing the Fund for Professional Rehabilitation and Employment of Persons with Disabilities at the PES Montenegro.

The Fund is primarily financed from the special contribution paid by employers which have not fulfilled the prescribed quota for employment of persons with disabilities. These funds are paid to the government budget. According to PES Montenegro, in 2020 there were 1,718 employed persons with disabilities in Montenegro, out of which 1,099 persons were temporary workers, while 619 persons got permanent contract⁸¹. According to PES Montenegro, in 2019 there were 1,404 employed persons with disabilities in Montenegro, out of which 882 persons were temporary workers, while 522 persons got permanent contract⁸². According to PES Montenegro data as of 31 December 2018, there were 660 employed persons with disabilities in Montenegro, of which 254 persons were temporary workers, while 406 persons got permanent contract⁸³. The numbers of employed persons with disabilities show that the situation has been improving compared to 2016 when 245 persons with disabilities were employed (180 with a temporary contract and 65 with permanent contract) and 2015 when only 108 of them were employed (67 with a temporary contract and 41 with a permanent contract).⁸⁴ Although the number of employed persons with disabilities in general has been visibly increasing over the last few years, they are not necessarily securing permanent positions.

In 2020, one public call for financing projects for employment of persons with disabilities was published with grants schemes (13 February 2020). Based on this public call, funding was granted for 52 projects with a total value of EUR 2,476,991.31. These projects envisaged to include 420 persons with disabilities, of which 293 would be employed during the duration of the project, and 114 persons would be employed after completion of the project for a minimum period of nine months. Project implementation will continue during 2021 as well.⁸⁵

The situation regarding accessibility for people with disabilities is still far from satisfactory. The key measures on social inclusion of people with disabilities defined by laws and strategies are related to the removal of physical barriers that hinder the access to facilities in public use, buildings, transportation and other infrastructural facilities.⁸⁶ In 2017 a few facilities were completed/adapted: Public Health Care Center “Dr Niko Labovic” Berane (value of completed works EUR 262,583.58), Public Health Institute, General Hospital in Berane (EUR 247,867.26), Public Health Care Center in Niksic (EUR 347,174.56), Public Health Centre for Pulmonary Diseases “Brezovik” in Niksic (EUR 291,432.87). The total value of works carried out on these four buildings during 2017 was EUR 1,149,058.27. Works on facilities of the General Hospital in Niksic and Ministry of Finance Podgorica are underway.⁸⁷

81 <https://www.zzzcg.me/wp-content/uploads/2021/03/Godisnji-izvjestaj-o-radu-2020-18.02.2020-ISPRAVKA-NIVO-KVALIFIKACIJE.pdf>

82 <http://www.zzzcg.me/wp-content/uploads/2020/01/Izvjestaj-o-radu-ZZZCG-za-2019-godinu.pdf>

83 <http://www.zzzcg.me/wp-content/uploads/2019/02/Izvjestaj-o-radu-ZZZCG-za-2018.pdf>

84 Analysis of the position and protection from discrimination of persons with disabilities in Montenegro: https://www.cedem.me/images/jDownloads_new/Analiza_polozaja_i_zastite_od_diskriminacije_OSI.pdf

85 Employment Agency of Montenegro, Work report for 2020: <https://www.zzzcg.me/wp-content/uploads/2021/03/Godisnji-izvjestaj-o-radu-2020-18.02.2020-ISPRAVKA-NIVO-KVALIFIKACIJE.pdf>

86 Report on the European Semester 2017/2018 – Montenegro: <https://www.disability-europe.net/country/montenegro>

87 Information on the Implementation of the Action Plan for the Strategy for Integration of Persons with Disabilities in Montenegro for 2017.

2.3.8 Long-term care

COVID-19 pandemic strongly affected older people for many reasons – they were more prone to dangerous consequences of the infection, they lacked regular medical attention, they lacked socializing and personal contact that they could not substitute with the technology. Older people in nursing homes were additionally in danger of mass infections. Unfortunately, no official information about the number of older people in long-term care facilities that have been infected is available at the moment.

Long-term care is limited by unaffordability of the professional service for a lot of elderly in Montenegro. Institutions of long-term care or social protection in Montenegro involved in the direct provision of social services for elderly and older users are primarily social work and institutions for accommodation of users (nursing homes) which currently provide accommodation for approximately 650 users. There are six public-owned institutions in Montenegro offering the care home for elderly. The nursing home “Grabovac” in Risan in the coastal region – which provides the institutional care for elderly, adults with disabilities, chronically mentally ill elderly, and people in a state of acute social need. The accommodation capacity is 300 places and currently 246 people reside there. Another public nursing home is “Bijelo Polje” in the city of Bijelo Polje in the northern region – which provides accommodation services for elderly, adults with disabilities, chronic mentally ill elderly persons and persons in the state of acute social needs. The accommodation capacity is 200 places, out of which 164 occupied. The third institution which provides care for the elderly is the Institute “Komanski Most” in Podgorica – whose activities include accommodating adults with disabilities (moderate, more severe and severe intellectual disorders and disorders from the autistic spectrum), occupational engagement in accordance with physical and psychological abilities, cultural and entertainment activities, etc., as well as health care in accordance with the regulations governing the health care and health insurance. The capacity of this institution is 130 places (115 occupied).

The New Transformation Plan for the Public Institution „Komanski most” was adopted for the period Q3 2020 – Q3 2024. The project of the Institutional Transformation of the Public Institution „Komanski most” – development of the service „Housing with support” – has been implemented since the end of February 2020. The C block of the institution has been adapted in accordance with those activities. Trainings were organized for experts, expert associates and other employees of the Public Institution „Komanski most” with the agenda of preparing the beneficiaries for independent living in an open community, and of providing access to work within the new service.

A unique assessment scale was created, especially designed to cover all segments of the life of the beneficiaries, their functioning, knowledge and constraints. A broader list of 35 beneficiaries was defined on the basis of this scale who were assessed as potential users of the service „Housing with support”. In order for the assessment to be as objective as possible, in the best possible interest of beneficiaries, trainers were engaged in addition to experts and expert associates of the Institution. These trainers visited the Institution as external experts, where they conducted individual interviews with everyone involved and examined the files on site. They provided their own assessment which was in line with the existing assessment of expert employees. Subsequently, the ten most functional users were selected to be prepared for the C block.

An expert assessment was also conducted by a neuropsychiatrist on the basic primary intellectual disabilities and comorbidities with psychiatric diagnoses. This helped to select the ten most functional beneficiaries to be included in the preparation phase of the C block. The ten beneficiaries

received consent from their guardians and Competent Centers for Social Work along with their expert opinions. The expert team further developed monthly and daily support plans for these beneficiaries. The C block is also equipped with all required didactic materials in accordance with professional requests which are designed to enable the beneficiaries to adopt necessary skills and knowledge in a clear and specific manner. The goal in the following period is to relocate the prepared beneficiaries to housing units and to create a „School of life skills“ in the existing C block which would enable them to an independent life in an open community. The further course of transforming the institution will follow their individual needs based on which further services will be developed, in accordance with the beneficiaries' individual assessments. The plan focuses on preventing gradual deinstitutionalisation of current users through developing skills for independent living and providing adequate alternative services within the family and community.⁸⁸

The Home for the Elderly „Pljevlja“ in Pljevlja was established by the decision in September 2017 to establish a public institution for the accommodation of adults with disabilities and the elderly. The activities of the home include: accommodation; work-occupation engagement (providing work and occupation therapy), cultural and entertainment activities, healthcare provision, in accordance with the regulations on healthcare and health insurance. The home is obliged to implement the programmes determined by the founder, as well as to participate in the implementation of strategies, plans and programmes that contribute to improving the position of adults with disabilities and the elderly and cooperate with other organizations in the field of social and child protection. The accommodation capacity of the home is planned for 60 users.

The accommodation capacities for older people in Montenegro have increased most recently. Two licensed service providers from Danilovgrad are providing accommodation services for older people. In addition, the nursing homes „Duga“ and „Nana“ support beneficiaries in achieving their rights. A public institution for accommodation of adults with disabilities and elderly people was opened in Podgorica at the end of 2020 along with a Public Institution for accommodation of adults with disabilities and elderly people in Niksic.

In addition to accommodation services, institutions for older persons also may provide shelter and day-care services:

1. The Home for the elderly „Grabovac“ provides accommodation service in a shelter for the homeless, home help services for adults and people with disabilities, as well as a day care services for adults and the elderly with disabilities;
2. The Home for the elderly „Bijelo Polje“ provides day care services for the elderly;
3. The Home for the elderly „Pljevlja“ provides day care service for adults and elderly with disabilities.
4. A day center for people with dementia opened in Niksic. The center is a project of CSW Nikšić, Plužine and Šavnik together with the NGO Futura, supported by the Ministry of Finance and Social Welfare, and funded by the EU and the Government of Montenegro.
5. There are 13 day care services for adults and the elderly and adults and the elderly with disabilities that host 152 users in municipalities: Nikšić (3), Danilovgrad (2), Cetinje (1), Rožaje (1), Petnjica (1), Plav (1), Risan (1), Mojkovac (1), Bijelo Polje (1), Pljevlja (1). By the end of October this year,

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this service will be established in the municipality of Kolašin. These services are currently being used by 152 users.

„Assistance at home“ services are provided in accordance with the characteristics, capacities and needs of the beneficiaries:

1. supply of food, assistance during preparation of meals and feeding;
2. assistance during movement;
3. assistance in performing maintenance of personal hygiene and hygiene of facilities;
4. assistance in heating of facilities;
5. assistance in obtaining printed media and books and payment of utility bills such as electricity, phone and similar;
6. mediation in securing various services for maintenance of homes and home appliances; and
7. assistance in supplying medicines and during visits to health centers for examinations.

The assistance-at-home service is used approximately 1000 beneficiaries, in the following municipalities: Podgorica, Bar, Andrijevica, Bijelo Polje, Royal Capital of Cetinje., Mojkovac, Kolašin, Berane, Petnjica, Danilovgrad, Plav, Gusinje, Rožaje, Pljevlja, Plužine i Nikšić. Within the „Be responsible“ project, a city laundry was opened, which provides free of charge services for people 67 years and older. **Over the last few years, private nursing homes have been established for the elderly.** These homes are not part of the public social protection system and cannot be considered an institutional resource at this moment because first they are not formally absorbed into the system and second there are no systematic conditions for their licensing. Still, they are a significant factor in the care of the elderly.⁸⁹ There are 2 private licensed service providers from Danilovgrad. Those are the nursing homes „Duga“ and „Nana“ (27 users). There used to be two more, but inspection closed them down.

While in many Northern and Western European economies, support for informal carers is designed to allow them to reconcile their caring responsibilities with a professional career, in contrast, family members in Southern and Eastern economies have more intense caring responsibilities,⁹⁰ and this is exactly the situation in Montenegro. One of the main reasons for that can be found in the unaffordability of the professional service for a lot of elderly in Montenegro, having in mind that the average pension in Montenegro is EUR 284⁹¹ while monthly rent for public nursing home ranges from EUR 250 up to EUR 450.⁹²

2.3.9 Housing and assistance for the homeless

According to the Directorate for Spatial Planning, the lack of data on the number of social housing in Montenegro, the cost of renting, as well as the ownership rights over social housing units are the biggest problems in the area of social housing. The adoption of a national strategy on social housing

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89 Analysis of the Implementation of the Strategy for Development of the System of Social Protection of Old Persons 2013-2017.
90 <http://ennhri.org/Long-term-Care-in-Europe>
91 <http://www.fondpio.me/>
92 <https://www.cdm.me/drustvo/privatni-staracki-domovi-rade-i-bez-licenci-cijene-odreduju-bez-kontrole/>

would contribute to improving the results in this area and thus help more citizens.⁹³ The obligation to develop the Social Housing Programme⁹⁴ is prescribed by Article 5 of the Social Housing Law from 2013.⁹⁵ Social housing, under this Law, represents the housing of a specific standard, provided to individuals or households, which are not able to solve the problem of housing due to social, economic or other reasons. The right to social housing can be exercised by natural persons who do not own an apartment or whose housing unit does not have adequate standard and who cannot provide a housing unit from the income they earn. Priorities in exercising the right to social housing, according to this Law, are given to: single parents/ legal guardians, persons with a disability, persons over 67 years old, young people who were children without parental care, families with children with disabilities, members of Roma and Egyptians (RE population), displaced persons, internally displaced persons from Kosovo* who reside in Montenegro, foreigner with permanent residence or temporary stay whose status of displaced or internally displaced person was acknowledged and victims of family violence.⁹⁶

The Government of Montenegro adopted the Social Housing Programme 2014-2016 in June 2014 and the new programme was adopted for the period from 2017 to 2020. The regional housing programme of displaced and internally displaced persons was one of the elements of the programme for the period 2014-2016, where the first Pilot Project - Niksic 'MNE 1' included the construction of 62 housing units, whose total value was 2,780,000.00 EUR, of which 1,980,000.00 EUR were grant funds, while the government and/or local unit contributed the rest. Works on the facility started in May 2015 and the project was completed within the planned time-limit. In July 2013, two other sub-projects were nominated: the construction of 120 housing units at Camp Konik, 'MNE 2' of the value of 6,906,750.00 EUR, of which grant funds constituted 6,226,622.00 EUR. Works on ten buildings with ten housing units each were completed before the agreed time-limit. The value of construction of 94 housing units for refugees in Berane municipality was 3,990,649.00 EUR, of which donor funds amounted to 3,575,779.00 EUR. Construction began in February 2017 and a public call for allocation of apartments was announced during the summer of 2018.⁹⁷ In 2016 the Camp Konik II was closed down and the subproject Construction of 120 Housing Units at Camp Konik, 'MNE 2' saved 1,950,977.11 EUR, so the Assembly of Donors approved the extension of the project of housing construction at Konik MNE5 Construction of 51 housing units at Konik - IPA Project continuation. At the end of 2017, 120 of RE displaced persons moved to these housing units.⁹⁸ In 2018 a list of allocation of 38 apartments for displaced persons within the Regional Housing Programme⁹⁹ for the municipality of Herceg Novi was published. Part of this housing programme related to building 50 houses throughout Montenegro for people who own land and building permits.¹⁰⁰ By the end of 2020, more than 5 000 apartments in Montenegro was supposed to be built within the Social

93 <http://www.zid.org.me/143-adp-zid/521-pitanje-socijalnog-stanovanja-u-crnoj-gori>

94 <http://www.mrt.gov.me/en/news/177949/The-2017-2020-Social-Housing-Programme.html>

95 <http://www.mrt.gov.me/ResourceManager/FileDownload.aspx?rid=291107&rType=2>

96 <http://www.mrt.gov.me/ResourceManager/FileDownload.aspx?rid=251997&rType=2>

97 <https://mladiberana.me/stanovi-za-raseljena-lica-rudes/>

98 http://www.monitor.co.me/index.php?option=com_content&view=article&id=8116:na-koniku-120-porodica-roma-i-egipana-poslije-18-godina-uselilo-u-stanove-pogled-iz-dnevne-sobe&catid=5784:broj-1416&Itemid=7194

99 http://webcache.googleusercontent.com/search?q=cache:jmzDtJVQfLUJ:www.mrt.gov.me/ResourceManager/FileDownload.aspx%3Frid%3D291122%26rType%3D2%26file%3DSOCIAL%2520HOUSING%2520PROGRAMME%2520MONTENEGRO%25206_9_2017-1.pdf+&cd=1&hl=en&ct=clnk&gl=me

100 <http://www.mrt.gov.me/ResourceManager/FileDownload.aspx?rid=291107&rType=2>

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

Housing Programme.¹⁰¹ However, due to the COVID-19 pandemic, the construction has been delayed. Housing provision to socially disadvantaged categories of citizens in the north of Montenegro was also part of the Social Housing Programme for the mentioned period. In 2017 in Podgorica, the Reception Centre for homeless people started working, with the capacity for 12 persons. The capital city allocates about 2 million EUR annually for social needs, and this project is estimated to cost a total of 50,000.00 annually EUR. The lease of the building was completed by the end of 2018, after the completed tender procedure. Users have the right to stay up to three months, but because there were only a few users in the centre, none of them left the Reception Centre after those three months. One user was employed as a janitor of the building for a year. Red Cross and the CSW are working with people settled in the Reception Centre in order to enable these people to live in the community after leaving the Centre.¹⁰²

2.3.10 Access to essential services

Access to essential services is mostly an issue in the least developed region, namely the Northern region, which is dominantly a rural area. The latest census of population, households, and dwellings from 2011 found that there were 247 354 dwellings in Montenegro for living. Of the total number of dwellings in Montenegro, almost all of them have electricity, and 92% have plumbing installations and a sewer connection. Less than half of the dwellings have air conditioning – 40%, while only 7% of dwellings have central heating installations. The highest number of dwellings with a water supply connection is in Tivat municipality (99%), while the lowest is in the municipality of Savnik (49.3 %). Actually, seven municipalities with the lowest percentage of water supply installations belong to the northern region of Montenegro, which is in general defined as economically and infrastructurally the poorest region of Montenegro. When it comes to the sewer connection, the situation is very similar, where again the municipality of Savnik has the lowest percentage in all Montenegro (49.1 %), followed by the other municipalities of the northern region. In Montenegro only 7% of dwellings have central heating, but even though 3 municipalities with the highest percentage are in the northern region (characterised by a cold winter), Savnik is again the municipality with the lowest percentage in all economy.

Internet access has improved significantly in recent years. According to 2011 census total of 74 679 or 30% of dwellings in Montenegro have internet connection while most of the dwellings – 133 472 or 54% have no internet access.¹⁰³ According to the Statistical Office of Montenegro, in 2013 55.8% of dwellings had internet access and in 2014 63.6% of them,¹⁰⁴ while in 2015 67.5%, in 2016 69.8%,¹⁰⁵ in 2017 70.6%,¹⁰⁶ in 2018 72.2%,¹⁰⁷ in 2019 74.3%,¹⁰⁸ and in 2020 80.3% of dwellings had internet. Therefore, the percentage of households with Internet access has been increasing since 2011, and in the last year (2020) it has increased by 6% compared to the previous one.¹⁰⁹

101 <https://www.cdm.me/ekonomija/2020-izgradice-jos-3-000-stanova/>

102 <http://www.rtcg.me/vijesti/podgorica/196844/beskucnik-zaposlen-u-prihvatalistu.html>

103 https://www.monstat.org/userfiles/file/popis2011/saopstenje/STANOVI%20Saopstenje%2023_10_2012.pdf

104 <http://monstat.org/userfiles/file/publikacije/CG%20u%20BROJKAMA/Monstat%20-%20CG%20u%20Brojkama%202015.pdf>

105 <http://monstat.org/userfiles/file/publikacije/2017/CG%20u%20brojkama%20-%202017%20MNE%20-%20za%20sajt.pdf>

106 <https://www.monstat.org/userfiles/file/ICT/2017/Uпотреба%20IKT%20u%20domacinstvima%202017.pdf>

107 <http://www.monstat.org/userfiles/file/ICT/2018/Uпотреба%20IKT%20u%20domacinstvima%202018.pdf>

108 http://www.monstat.org/userfiles/file/ICT/2019/Uпотреба%20IKT%20u%20domacinstvima%202019_Final.pdf

109 <https://www.monstat.org/uploads/files/ICT/ICT%20USAGE%20IN%20HOUSEHOLDS%20IN%202020.pdf>

In terms of internal public transport, there is only public transport by road in Montenegro. It operates as intercity transport, special intercity transport, city and suburban transport, special city and suburban transport.¹¹⁰ There is an intercity public transport from/to every municipality (at least a bus line to/from the capital), but only a few municipalities in Montenegro have public city transport, including Podgorica, Niksic and a few cities/towns at the coast (especially during the summer tourist season).¹¹¹

110 http://webcache.googleusercontent.com/search?q=cache:IWumax5RdZEJ:www.privrednakomora.me/sites/pkcg.org/files/multimedia/najave/files/2012/09/zakon_o_prevozu_u_drumskom_saobracaju_nacrt.doc+&cd=4&hl=sr&ct=clnk&gl=me

111 There is no available precise data on this.

3 Conclusion

Montenegro faces challenges in regard to numerous indicators of the Social Scoreboard, part of the European Pillar of Social Rights. Challenges caused by Covid-19 pandemic primarily, and to some extent the political instability, impacted all dimensions, especially the promotion of equal opportunities, access to the labour market and fair working conditions. Even though the unemployment rate has been decreasing in the last few years, the impact of Covid-19 pandemic on the economy, especially in the sectors such as tourism and services, reversed the trend. There are still high rates of NEETs and low employment rate.

One positive development is the relatively low share of early school leavers, which is much lower in comparison with the EU-28 average. Even though the educational system is accessible and inclusive, it does not fully provide young people with all the necessary knowledge and skills that are required by the economy. Distance learning that substituted classrooms during the pandemic contributed to further decrease of the quality of education as well as increase in the education gaps of vulnerable groups (especially Roma and Egyptians) because of the lack of access and support. Progress is registered in the VET sector, as more students choose this to pursue this path.

Achieving equality was another topic that had returned to the policy agenda in the time of the pandemic. The legislative progress that was achieved in the past when it comes to gender equality, protection of human rights and freedoms (especially Roma and Egyptians, LGBT people and people with disabilities) has been put to test in the times of crisis and the system showed number of weaknesses. Apart from that, the past year showed limited progress regarding advancing what was already achieved (e.g. passing laws and bylaws to enable implementation of the Law on lifelong partnership).

Income remains unequally distributed and the share of people at risk of poverty and social exclusion is on the rise in Montenegro. Labour market performance is relatively poor, additionally worsened by COVID-19 pandemic, characterised by high youth unemployment, low participation of women and high long-term unemployment. The government took a number of measures in support of the economy and the employees to mitigate the negative consequences of COVID-19 pandemic. The government provided different types of subsidies, supporting over 100,000 employees in micro, small and medium enterprises, as well as the vulnerable groups. The measures for the enterprises included encouraging relevant entities to provide preferential loans, approve loan extensions, and lower interest rates, reduction and deferral for payroll taxes, support to domestic producers and specific industries and electricity bill reductions. These also included social measures such as subsidies for earnings of employees on paid leave, subsidies for earnings of employees who are quarantined or in isolation, delay of enforcement of suspending the operations by the National Coordination Body's decisions for economic entities, one-off financial assistances for unemployed people, etc.

Social protection programmes need to be better adapted to the needs of different groups, including children, adults and the older population, especially in post-pandemic recovery period. A more coherent and holistic approach is needed in order to provide adequate social protection, especially

when it comes to families with children. For working-age people, it is important that social protection promotes the employment of those who are excluded from the labour market in a better way, with 48% of social assistance beneficiaries having a potential for work engagement (World Bank, 2013).¹¹² In order to better target those who are in need of specific services and assistance, the social card system should be more functional. In addition, it is important to address the specific barriers that women face when being employed. When it comes to older people, there is a need for a better integration of health and care services with social protection services in order to better respond to their needs and promote independent living. Additional efforts should be made to improve social inclusion through social protection, especially for the most vulnerable groups such as Roma and people with disabilities.

A number of relevant strategies in the field of social protection have expired or are expiring in 2021. The new strategic documents are now at different stages of development and passing, such as the Strategy for Gender Equality, Strategy for social inclusion of Roma and Egyptian People (2021-2025) and Strategy for prevention and protection of the children from the violence. These documents are being now passed in accordance with the Methodology for development of public policies¹¹³ that designs in the detail the process and the elements the documents need to contain. The new Methodology is expected to contribute to the more evidence-based strategic planning.



¹¹² Activation and smart safety nets in Montenegro, available at: http://www.worldbank.org/content/dam/Worldbank/Event/ECA/MONTENEGRO_Activation_note_FinalForPortal.pdf

¹¹³ Available at: <https://www.gov.me/dokumenta/2af986d7-06a4-492a-a356-facac7597d38>, accessed on July 26th 2021

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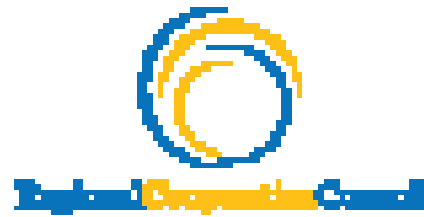
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