



STUDY ON
**YOUTH
EMPLOYMENT**
IN
MONTENEGRO

good.
better.
regional.

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LABOUR MARKET DATA-METHODOLOGY NOTE

All labour market data in the RCC ESAP Youth Employment Study, Montenegro Annex are for the 15-24 age bracket for youth and the 15-64 age bracket for the general population, unless it is specifically indicated that the data presented is for a different age group. The source of data is indicated in notes to the individual figures; where the source is indicated as the [RCC ESAP Observatory](#), the data is from the Statistical Office of Montenegro - MONSTAT (LFS data), the Employment Agency of Montenegro or EUROSTAT, unless specifically indicated otherwise under the figure and/or at the RCC ESAP Observatory.

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Abstract

This Chapter outlines the nature and challenges of the youth labour market in Montenegro, among which lack of suitable jobs in the private sector, the lack of an entrepreneurial culture, the lack of appropriate skills held by young people, the preference for secure public sector jobs, and the perceptions of unfair recruitment practices have been identified as key factors holding back the integration of young people into the labour market. The Montenegrin youth labour market is characterised by a high level of youth unemployment, large gender gaps in labour market participation especially for the less well educated youth, and a high share of temporary jobs creating a precarious situation for young people. The Annex analyses the existing youth employment measures that have been adopted by the government and identifies several weaknesses including the narrow range of appropriate policies. One of the major policies, the Programme of Professional Training of Persons with Acquired High Education, focuses exclusively on the better of young people who have attended tertiary education. Policy generally neglects the disadvantaged groups and the NEETs. However, some of existing measures are relevant to the

creation of a Montenegrin Youth Guarantee, but need to be adapted, improved and scaled up. The Annex has mapped the main dimensions of the NEET phenomenon and made suggestions how policies towards those who are Neither in Employment nor in Education or Training (NEETs) could be improved. It has also identified the capacity issues in the main agency responsible for implementation of youth employment policies. A comprehensive set of labour market policy measures has been outlined, building on European Union (EU) policy approaches to the Western Balkans and policy recommendations. A roadmap has been developed, tailored to local circumstances, to implement a Youth Guarantee in Montenegro to ensure that no young person is left without a job, or a place in education or training for more than four months after leaving school or university. While this roadmap is an important analytical input, this roadmap cannot replace or prejudice the Youth Guarantee Implementation Plan for Montenegro. The implementation of a Montenegro Youth Guarantee would make a significant contribution to eliminating social exclusion experienced by many young people living in Montenegro today.

1 INTRODUCTION

The economy of Montenegro enjoyed strong economic growth over the period since 2015 to 2020, due to a thriving tourism sector, and large public investments in roadbuilding. However, the labour market suffers from structural problems determined by the nature of economy, which is aimed mostly towards services and lacks heavy industry which could utilize skilled workers and highly educated professionals. The biggest branch of industry is tourism, in which as much as 24% of GDP is generated through tourism and tourism-related activities (World Travel and Tourism Council, 2018). The supply of people for this sort of work does not meet the demand generated, especially during the seasons. Many of the seasonal workers come from neighbouring economies – the reason being that many Montenegrins find these positions unattractive or consider them to be not paid enough, resorting to managerial positions within the industry, which are by definition not capable of absorbing all Montenegrin workforce. On the other hand, other sectors which can offer work in Montenegro are also faced with problems, especially the fields of high-tech, information technology (IT) and engineering. The COVID-19 pandemic has weakened the economic outlook. Due to the collapse of tourism revenue, the economy has experienced a major economic shock and a 27% decline in real GDP in the third quarter of 2020 (MONSTAT, 2020).

1.1 Youth in the labour market

In January 2020, Montenegro had a population of 621,873 persons of which just over one in ten (12.8%) was aged 15-24 and one in five (19.1%) was aged 15-29 years; somewhat above the respective shares in the EU-27.¹ Montenegro has a slowly ageing society, as the share of youth aged 15-24 in total population has declined from 14.4% in 2009, giving a fall over the decade of 1.6 percentage points, similar to that in the EU-27.

In 2019, the working age youth population aged 15-24 was 85.6 thousand, of whom 32.7 thousand had only a “low” level of education having completed compulsory primary education or less, and 47.4 thousand had a “medium” level of education having completed upper secondary school or post-secondary non-tertiary education.² Relatively few members of this age group, just 5.5 thousand, had completed tertiary education. In 2019, some 54.3 thousand of these young people were inactive; many of them were attending school or university, but many others were neither in employment, education or training. More than half of the inactive youth had a low level of education (56.3%) and over two fifths had a medium level of education (43.7%), while there were no inactive young people with a tertiary education due to a graduate internship programme described below.

1 Montenegro Office of Statistics online data.

2 Montenegro Office of Statistics Labour Force Survey 2019

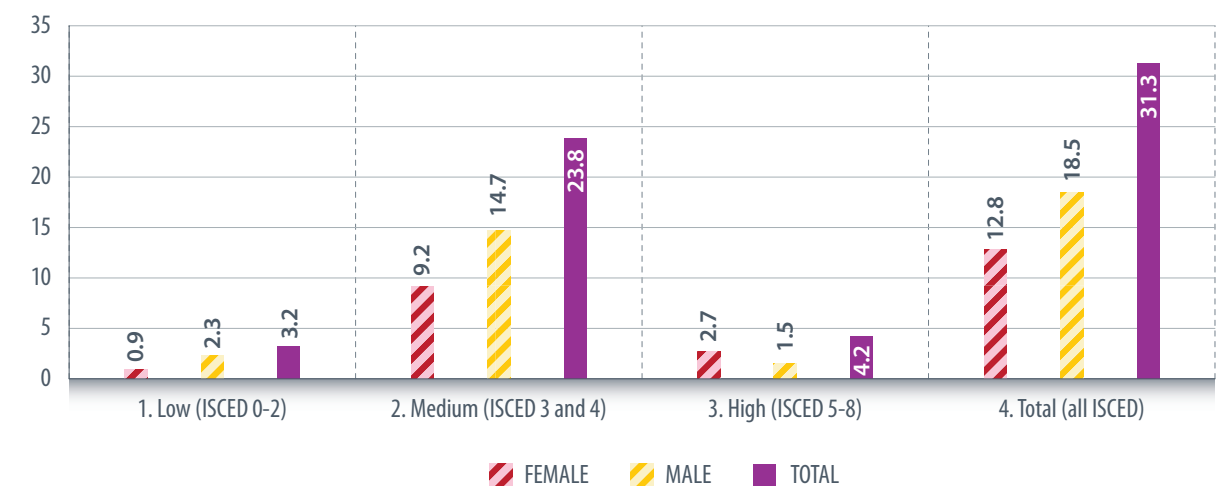
The labour force participation rate of young people (the activity rate) is very low; in 2019, it was just 36.5% of the working population (up from 32.9% in 2018 – see Figure A1).³ There was a large gender difference in the activity rate in 2019, with 41.6% of young men being active compared to just 31.1% of young women (see Table A1). This gender difference was most pronounced among those with medium education: the activity rate for these young men was 58.2% whereas for young women it was just 41.1%.

In 2019, the youth labour force, either in work or seeking work, amounted to 31.3 thousand young people aged 15-24 years (up from 28.2 thousand in 2018), of whom 18.5 thousand were young men and 12.8 thousand were young women (up from 17.0 thousand and 11.1 thousand respectively in 2018 - see Figure 1).⁴ Most of the young people in the labour force had a medium level of education, having completed upper secondary schooling. Some 23,400 of these young people had jobs, while 7,900 were unemployed. Most of these employed youth (15

thousand) had a medium level of education and had not attended university. Unemployed youth had a similar profile with seven thousand having a medium educational level. The unemployed youth are most likely those who have attended VET school and are unable to find work with the skills they had available to them; pupils who graduate from grammar schools (gymnasia) are likely to continue their studies at university.

The youth employment rate increased substantially over the three years from 2017-2019, although it is still less than one half of the 15-64 age group; in 2019 it was 27.3% (up from 23.2% in 2018), far below the overall employment rate of 56.0% (see Figure 2). The employment rate for young men is somewhat higher than for young women; in 2019 it was 30.9% for young men and 23.5% for young women (see Figure A2). Compared with other Western Balkan economies, the gender difference is not large. The highly educated had a higher employment rate than the medium educated (60.0% versus 37.6%), while few low-educated young people had a job, with an employment rate of just 6.9%.

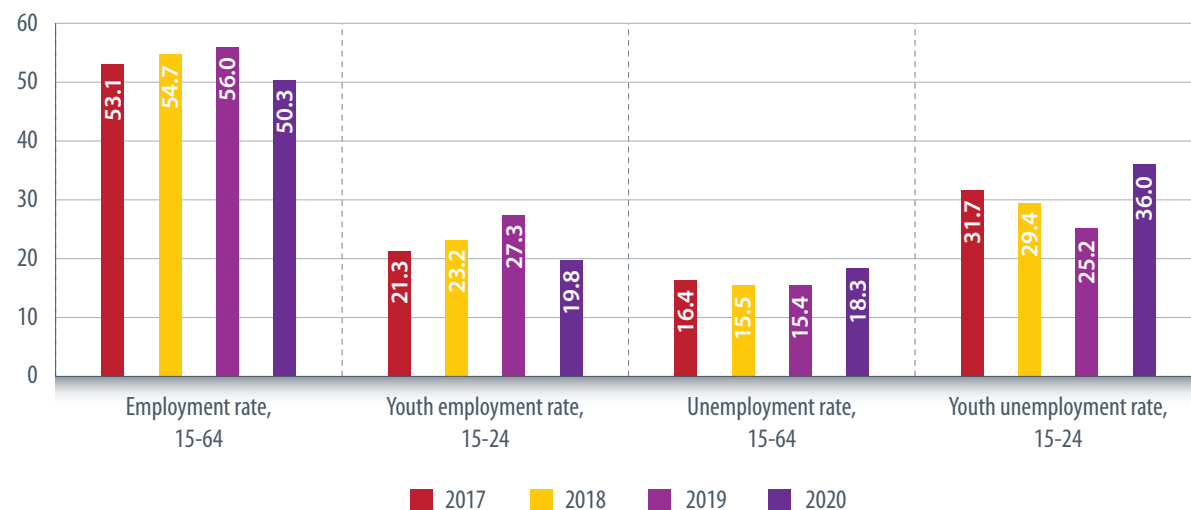
Figure 1: Labour force by gender and educational level, 15-24 years, Montenegro 2019 (thousands)



Source: World Bank Jobs Gateway in Southeastern Europe, online data

3 Montenegro Office of Statistics Labour Force Survey 2019

4 Montenegro Office of Statistics Labour Force Survey 2019

Figure 2: Labour market employment indicators, Montenegro 2017-2020 (%)

Source: [Observatory on employment in the Western Balkans](#), RCC's ESAP 2 project

The youth unemployment rate has been falling in recent years, but at 25.2% in 2019 is still high (see Figure 2) and substantially higher than the overall unemployment rate of 15.4%, a difference that is relatively mild compared to other economies in the region. However, gender differences in youth unemployment rates are large, and in favour of young women rather than young men. Among those with a medium level of education the unemployment rate of young men is 36.5%, while that of young women is 23.6%.

Fewer than one in ten (7.4%) young people are self-employed, either as entrepreneurs in the sense of setting up a business as an

entrepreneur capable of creating jobs for others or in the more traditional role of craftsman, working on their own account as a sole trader or a farmer.

When young people do find work, it is often in precarious jobs that are either part-time, temporary or both. In Montenegro, unlike some other economies in the region, few (7.4%) young people work on a part-time basis. Young people are also adversely affected by temporary employment, with three quarters having a temporary job (see Figure A4). These forms of precarious employment are broadly based, with little difference between education levels or gender. This suggests that youth

2020 UPDATE

In 2020, the employment rate for working-age population (15-64) declined to 50.3% after a three years period of rising trend (in 2019 at 56%). The unemployment rate for the same age group increased to 18.3% (in 2019 at 15.4%). As for the youth population aged 15-24, the employment rate fell significantly to 19.8% (compared to 2019 at 27.3%), while the youth unemployment rate increased significantly to 36.6% (compared to 2019 at 25.2%).

employment policy should seek to support a greater proportion of young people into permanent, more secure, job positions.

1.2 COVID-19 Pandemic

The economy of Montenegro has been badly hit by the COVID-19 pandemic due to its reliance on tourism as a major exporter of services. As noted above this sector accounts for about one quarter of GDP, and the economy contracted by this amount due to the collapse of tourism in the summer of 2020. The number of registered young jobseekers aged 15-24 at the Employment Agency of Montenegro doubled between February and December 2020 (from 2,906 to 5,952).⁵

Altogether four rounds of emergency economic measures have been taken to support the economy. The first package of measures in March 2020 provided for a delay in tax payments and social security contributions and a one off payment to pensioners and an increase in wages of healthcare workers. The second package in April 2020 provided, inter alia, wage subsidies in sectors that were closed due to the pandemic, employees who were unable to work due to childcare for children aged under 11, or people who had to be self-isolated and quarantined. It also provided wage subsidies of newly employed workers in Small and medium-sized enterprises (SMEs) for six months for registered unemployed people.

The third package in July, 2020 included the support to the tourism sector and wage subsidies and other measures valued at €1.2 billion. The fourth package in January 2021 provides wage subsidies for an expanded list of eligible sectors, support for new employment and additional measures for tourism and other

⁵ RCC Employment Observatory database.

sectors. The connecting theme throughout has been the application of wage subsidies to protect jobs and support business.

1.3 Key Challenges facing the youth labour market

The weakness of the labour market and the high level of inactivity among young people pose numerous challenges to policymakers in Montenegro. Among the greatest challenges are the lack of suitable jobs in the private sector, obstacles to the development of youth entrepreneurship, the lack of appropriate skills held by young people, a preference for secure public sector jobs, and perceptions of unfair recruitment practices. In this section we identify some of these key challenges, which will inform the development of a Road Map of policies to address them and improve the situation of young people in Montenegro.

1.3.1 Lack of suitable private sector jobs

The reasons why many young people remain unemployed are complex, but the main ones are related to the economic situation in Montenegro which is defined by a lack of manufacturing industry. These problems are influenced by an unsuccessful post-socialist transformation, which led to a decline in manufacturing industry (Tomljanović et al., 2018). As a consequence there is a lack of jobs and insufficient demand for labour to employ all young jobseekers (Djurić, 2016). Due to the

lack of jobs, many VET school students continue their education at university rather than seeking a job on the labour market (Kaludjerović and Mirković, 2020).⁶

1.3.2 Obstacles to youth entrepreneurship

Overall, Montenegro lacks a self-employment and entrepreneurship culture which is needed in a free market economy and there is a negative attitude in society towards entrepreneurship (UNDP, 2019: 19). Young entrepreneurs are often not familiar with the conditions they need to meet in order to start a business or obtain a loan (Karadzic et al., 2016). The Union of Youth Entrepreneurship collaborates with every municipality in Montenegro and seeks sponsorships from municipality budgets. However, young entrepreneurs can rarely satisfy the strict requirements for receiving financial support from municipalities, such as having substantial collateral (ECR, 2018).

1.3.3 Lack of appropriate skills

The educational structures and programmes in Montenegro are outdated and few teaching staff have done practical work themselves. Consequently, the education system produces students who are not oriented to practical problem solving and whose skills are often mismatched to the demands of the market (Djuric, 2016; Jovovic, 2017). Employers often complain that job candidates lack the cognitive and non-cognitive skills needed in fields such as IT, or those which require interaction with customers abroad. Consequently, they do not

receive appropriately skilled employees, nor do graduates obtain jobs appropriate to their skills (Bartlett et al., 2016).

1.3.4 Preference for secure public sector jobs

A further difficulty is that a majority of Montenegrin students would like to have a job in the public sector (UNDP, 2019) due to the job security this sort of work provides, and the social prestige of such a position. Work in the service sector is frowned upon, especially for men, whose culture deems such work dishonourable. However, considering that jobs in the public sector are not accessible without a university diploma, many young people attend university simply to obtain a job in the public sector. This explains the large number of young people studying law, economics and other social sciences (Bartlett et al., 2016).

1.3.5 Perceptions of unfair recruitment practices

A number of young people interviewed for the purpose of preparation of this study expressed their belief that without appropriate political connections or membership in some of the ruling parties, one cannot get a job in the public sector. This opinion is in line with findings of Balkan Barometer 2020 Public Opinion survey⁷ which identified that 46% of Montenegrin citizens consider that the main obstacle to employment is “not knowing the right people” and that the same percentage (46%) of all respondents tend to be “most concerned about nepotism in hiring”.

6 Factors influencing students' decisions about their future choices after graduation are the learning environment in second-

ary VET schools, the quality of the teaching provided, the experience of involvement in work-based learning, students' own expectations of what VET school has to offer them, and their likely chances in the job market (Kaludjerović and Mirković, 2020).

7 <https://www.rcc.int/balkanbarometer/results/2/public> (p.48)

2 YOUTH EMPLOYMENT MEASURES

The Ministry of Education, Science, Culture, and Sports is a ministry which was established after the Parliamentary election of 2020. At the first session of the elected Government of Montenegro on December 7th 2020, a Decree on the organisation and manner of work of the public administration was adopted. This Decree has significantly changed the organisation of the public administration. In 2016, now former ministries, the Ministry of Education and the Ministry for Youth and Sport developed the “**Strategy for Youth 2017-2021**” (Strategy) which has been implemented over the last four years. This Strategy stated that the average transition from education to employment would last 10 months (for those with university diploma) and 23 months for those without one. The Strategy also focused on the high NEET rate. The Strategy proposed an improvement of informal training sessions, a reorientation of the high school and university education towards more practical problems, a decrease in early school leaving and the promotion of youth employment. This Strategy was implemented through respective series of Action Plans (2017–2020). Most of its activities have been directed towards the support of the already existing institutional measures within high schools and universities.

The Ministry of Finance and Social Welfare is a newly formed Ministry which inherited the competences of the former Ministry of Finance and partially of the former Ministry of Labour and Social Welfare. The newly established Ministry of Economic Development mostly

inherited the competencies that are outlined in the National Strategy for Employment and Human Resources Development (2016-2020) as well as the **White Book (2016)**, the latter specifically targeting the problem of youth unemployment. In 2017, a “White Book” (ILO & Ministry of Labour and Social Welfare of Montenegro, 2017) was published in which several recommendations were outlined, including suggestions for the diversification of public education and its better orientation towards the needs of the market. The White Book suggests various other measures such as setting up an information system for young people to assist their choice of career and provide them with informal education and trainings. Second-chance courses aimed at curing skill-mismatch were proposed, as well as incentive mechanisms for employers towards the young. Few of these suggestions have been implemented by the relevant institutions or the bodies concerned.

At the end of 2019, a project titled “Self-employment Grants Programme” was launched by the Employment Agency of Montenegro (EAM). The “Self-employment Grants Programme” in the amount of EURO 3.5 million, is a direct grant, awarded to the Employment Agency of Montenegro and represents a part of the EURO 18 million worth EU-MNE Programme for Employment, Education and Social Welfare financed through the EU pre-accession funds (IPA II). This programme is open to all categories of people, while youth are designated as a target

group of specific importance. Through this programme, unemployed people can acquire a one-time grant ranging between EURO 3,000 and EURO 7,500 for their business idea. The conditions to apply to this programme are that the applicants must:

- ▷ be officially registered as unemployed for at least 4 months continuously, prior to the call for applications
- ▷ directly responsible for the implementation of the idea
- ▷ have the ability to demonstrate the capacity to manage a business idea for which the project proposal is submitted, experience is not mandatory but desirable criteria
- ▷ have an attractive and high-quality business plan
- ▷ successfully complete the course for self-employment.

All those who fulfil these criteria can apply, but some categories have been identified to be of priority, youth (those who are not older than 35 at the time of submission), but also women and long-term unemployed. Those who are not officially registered as unemployed, and those who have not been unemployed for at least four months continuously, cannot apply to this programme. Neither can apply those who have been convicted of crime in the period two years prior to the call for applications. A candidate who fulfils formal criteria can start the application process, which involves a mandatory three-day informational workshop. After completing the workshop, the candidate can submit an application for a grant, along with a business plan. During the evaluation process, through the business plan the candidate must convince the grant approval committee that his/her business idea is sustainable and that it

can create more employment. Additional points are awarded for prior experience or facilities that support the proposed business. Accepted applicants proceed to an additional three-day specialized training after which an agreement can be signed providing 80% of the approved grant, with the additional 20% paid after completion of the final report. A self-employment coordinator for each town has been appointed, to guide all those interested in self-employment through the process. Being funded through IPA, the Programme is limited to three annual cycles, and is not a long-term measure.

The Programme of Professional Training of Persons with Acquired High Education is a work-experience programme that was launched by the then Ministry of Education in 2013 (now Ministry of Education, Science, Culture and Sports) with the annual budget execution ranging between €7 million (in 2018) and €8.8 million (in 2013). It is by far the largest active labour market policy in Montenegro. Every person who joins the Programme receives nine payments of 50% of average gross salary in Montenegro. This programme aims to link new university graduates with the labour market and establish a smooth transition from education to employment. Applicants must have either completed a 3-year course (180 ECTS) or a 4-year course (240 ECTS), depending on the specific university and be registered at the PES. Regardless of whether the course has been completed in due time, or later, the new graduates are provided with an opportunity to carry out an internship in a sector of their choice for 9 months duration, during which they receive a payment from the government amounting to 50% of the average gross monthly salary. The engagement provided under this programme is not considered to be employment but is rather a *sui generis* mode of engagement. Therefore, no social

security benefits are to be paid. Despite this, candidates are given the opportunity to pass a special exam necessary to work in public administration, which requires 12 months of working experience. In order to apply to this programme, a graduate must officially register at the employment service. This process is not complex and can be done in two days. Afterwards, the applicant chooses from a list of potential employers where the professional training will take place. The employers must also register into the programme, and do not need to pay anything to the future intern, as all expenses are covered by the government. Once the contract is signed, the intern is obliged to perform the duties foreseen by the employer, and every month he/she must file a report on his duties, which needs to be ratified by the employer. If the ratification is successful, he/she will be paid the foreseen amount by the government. This programme lasts 9 months, starting on 15th of January and ending on 15th of September. The Programme provides young graduates with an opportunity for an initial breakthrough into the labour market.

In line with the Law on Brokerage in Employment, the active employment policy measures are: 1) adult training and education; 2) employment incentives; 3) direct creation of new jobs; and 4) entrepreneurship incentives. It is important to highlight that the EAM does not implement the adult training and education programmes directly, but in line with the needs of the unemployed the funds are awarded to selected service providers.

In addition to the four categories above mentioned, the Employment Agency of Montenegro implements following services for labour market and employment brokerage: 1) provision of information on possibilities and conditions for employment; 2) counselling for increasing employability and employment; 3) career guidance; 4) profiling of the

unemployed; 5) development of individual employment plans; 6) work-based and social integration.

Informal training sessions are part of counselling to increase employability and employment and are preparation for labour market in general or for specific jobs that are in line with jobseekers' statements. In addition, the EAM can organise trainings for young unemployed persons based on existing official education programmes, this implies that there is a need to expand the offer of current programmes. Examples include programmes to acquire advanced IT skills and other soft skills that can be attractive to young persons. In addition, the Employment Agency of Montenegro implements "The Training for independent work", whose goal is to enable young unemployed persons of III and IV level of education, without work experience, training for independent work. Another programme is "On the job training in real work" which enables acquisition of new knowledge, skills and competencies needed to perform certain jobs. This programme is a priority for young unemployed people without occupations. Furthermore, the Employment Agency of Montenegro implements the programme "Stop the grey economy" which is intended for young highly educated people, whose goal is to raise the level of knowledge, skills and competencies of these people, as well as the fight against the informal economy.

Montenegro has introduced a system of **dual education** for three year VET schools (ETF, 2020). The dual VET system requires a student (his parent or guardian) to agree to an individual 'contract of education' with a prospective employer. The students enrolling in dual VET are 15-year-olds who have graduated from the primary school. The contract regulates the duration of the work-based learning, the amount of practical training and knowledge

that the employer will provide to the student, the schedule of practical training during the school year, the rights and duties of the student, the duties of the employer, the student's monthly remuneration during practical training. In the school year 2019/20, the majority of schools (64%) implemented programmes they had offered in the previous years, but 36% of schools started to implement new dual VET programmes.

Support for youth entrepreneurship is provided by the **Ministry of Economic Development** through its Directorate for Development of Small and Medium Enterprise (SMEDD), which provides training and mentoring to SMEs and has a special interest in promoting youth entrepreneurship. The SMEDD offers informative and advisory services, entrepreneurship training, mentoring services, and organises participation in business fairs. Business support services are available through the **Investment and Development Fund (IDF)**, which offers young entrepreneurs training on financial literacy and business plan development, information on financing opportunities,

and loans to SMEs (Janusevic and Kosovic, 2020). A priority measure "Improvement of financial support to the sector of small and medium-sized enterprises" was part of the "Economic Reform Programme 2017". Under this measure, the government was to provide €120 million through the IDF to finance young entrepreneurs and others through short- and long-term loans with a grace period of five years and a loan repayment period of 15 years. Interest-free loans have been offered to students in higher education who want to start their own business, supplemented by a training programme. The government has also launched a number of campaigns aimed at promoting an entrepreneurship culture, for example the ongoing **Smart4all** project, **Social Impact Awards**. These measures support young people to create their own business ideas and generate self-employment and a culture of entrepreneurship. A successful involvement by local self-government in the provision of infrastructure for youth entrepreneurship is the Business Start-Up Centre Bar in the municipality of Bar.

Table 1: Summary of youth employment policies

Policy area	Measures targeted at youth	Non-targeted measures available to youth
Joined-up policymaking and implementation involving multi-agency work	Strategy for Youth (2017-2021)	Strategy for Employment and the Development of Human Capital (2016–2020)
Wage subsidies, social insurance relief, and tax incentives for employers who take on young people
Vocational training programmes for inactive and unskilled youth
Work-based training	Dual education model for VET schools	..
Unpaid internships and work experience placements	Programme of Professional Training of Persons with Acquired High Education	..
Youth entrepreneurship programmes	Ministry of Economic Development Business Stimulating Programme	Ministry of Economic Development Business Stimulating Programme
Assistance to self-employed youth	Programme of self-employment grants	..
Career guidance and counselling	Strategy for Employment and Human Resources Development(2016–2020)	..

Source: National Employment Service, Annual Work Report 2019

3 MAPPING THE SITUATION OF NON-REGISTERED NEETS IN MONTENEGRO

The working definition of “youth” in Montenegro covers those aged between 15 and 29, while NEETs are most often defined as those in the range between 19 and 24. According to the Labour Force Survey carried out by the Montenegrin Statistical Office (MONSTAT, 2020), in 2019 the NEET rate (15-24) was 17.3%, while NEET rate (15-29) was 21.3%. For 15-24 year olds, the NEET rate was slightly higher among young men than young women (18.8% and 15.8% respectively). The NEET rates for 15-29 year olds showed no gender differences.

Some able-bodied young people are not willing to take jobs that are low paid or because they are considered socially undesirable. This phenomenon has been demonstrated by the field study, but is also visible in the statistics, especially when we compare the lower number of females compared to male NEETs, despite the fact that the number of unemployed women is greater than that of men. The reason behind this may be the patriarchal gender role assignment and the belief that a man must be “the head of the house” and thus perform only jobs which are worthy of a man, and those jobs are most of the times not services, hard labour and so forth.

A large proportion of NEETs can be found in the northern part of the economy, which is the least developed region. Few jobs are available in the north, since it lacks the administrative and tourism potential of other regions. The

unemployment rate in the north is four times as high as the rate in the central region and ten times as high as in the coastal region.

3.1 Proposals to modify the design and delivery of policies to integrate non-registered NEETs

The problem with the existing government measures (especially for the Individual Employment Plan) is that they suffer from strong administrative formalities. All existing programmes require NEETs to register with the EAM. For various reasons, many NEETs fail to register as unemployed, as there is no legal obligation to register.

Montenegro is in need of a linking platform between the unemployed and the employees. Most of the time, a job application is made through informal channels that are not open to public. Despite this being contrary to the employment law, no sanctions are applied. A clear and transparent platform, which would be easily accessible, does not exist. The platforms that exist – such as zaposli.me and mladiinfo.me – are third-party platforms. An

online platform should be created, through which each jobseeker would be able to rank themselves within a standardised form – according to which a matchmaking process would be carried out once a new job is created. This platform would link parties to a meeting, while the job offer would still be under the control of the employer. Such a platform would be mandatory for all public services and be easily navigable. This might solve the problem of mismatch and lack of communication between the employers and the employees.

A “no-questions asked” set of courses and workshops, which would enable people employed in the informal sector to quickly gain an official recognition of their capabilities would also be useful. These workshops should be tailored in a way which would provide the candidates with a clear picture of what they can gain if they enrol and should provide two to three months of training for a previously defined job position. The first part of the course would be the reporting of the needed job positions by the companies. This reporting would be free of many formalities, but it would carry with it the obligation of the reporting employer to hire a candidate during the period of three months. In the meantime, the first month would be reserved for promoting this offer and finding a suitable candidate with the other two months being directed towards training. The aforementioned training sessions could be spread and standardized as some form of regular VET courses.

An alternative, which would benefit high-skill jobseekers, would be to make formal modes of employment more attractive to employers and young people by cutting the tax rate which needs to be paid, which would provide incentive to both parties to register. Considering the situation, one option would be to establish an integrated datacentre, which would help better track the trends in the market place

and the unemployed youth, in order to define strategies that can be best implemented.

A more flexible approach to the problem of NEETs should be taken by the Montenegrin institutions, one which would be less burdened with legal prerequisites and more with achieving a specific goal. Thus, an additional campaign aimed to encourage self-employment should be conducted in order to nurture the spirit of entrepreneurship, but also additional incentives should be planned in order to make employment more attractive to both employees and employers. As the main measure, more budget resources should be allocated for grants and workshops (especially in the IT sector).

3.2 Tailored outreach mechanisms to identify and assist the most vulnerable NEETs

The most vulnerable NEET groups in Montenegro can be identified as:

- ▷ Those without higher (university) education
- ▷ Persons with disabilities
- ▷ Roma population
- ▷ Those with criminal convictions

In addition, NEETs residing outside the central and coastal regions, and those in the Northern part and rural areas can also be considered as vulnerable.

Most vulnerable NEETs are young people with disabilities. The EAM has developed a special programme aimed at employing these groups, subsidizing potential employers of such people, both in equipment and salaries. However, people

in this group are unable to perform many of the jobs which are offered as these jobs have not been accommodated for their disabilities. One recommendation is that under the supervision of the EAM, special courses in digital services (website maintenance, programming, social media, PR, or translation) could be developed for young people with disabilities.

Additional disadvantaged groups are ethnic minorities, especially Roma, a set of measures have been implemented to increase their possibilities of employment, however, the fact

remains that members of this minority are both underrepresented in tertiary education and in employment.

NEETs without tertiary education are also in a need of a better response because most resources allocated in combating youth employment are directed towards university graduates. It would be better to allocate part of these resources to those without tertiary education in order for them to achieve a business of their own.

4 CAPACITIES TO IMPLEMENT YOUTH EMPLOYMENT PROGRAMMES

As a result of 2020 elections, an incoming Government of Montenegro was formed on 4th December 2020 and the Decree on the organisation and manner of work of the government/public administration was adopted on 7th December, 2020. This Decree has significantly changed the organisation of the government/public administration and reduced the number of ministries from 17 to 12. The unified **Ministry of Education, Science, Culture and Sports** has been set up and the former Ministry of Labour and Social Welfare has been dissolved and most of its competences have been transferred to the **Ministry of Finance and Social Welfare and the Ministry of Economic Development**. The **Ministry of Public Administration, Digital Society and Media** has been set up and has outlined the digital transformation of society as one of its main principles.

4.1 Employment Agency of Montenegro

Policies on youth employment fall under the direct jurisdiction of the Employment Agency of Montenegro (Zavod za zapošljavanje Crne Gore), whose primary tasks are mediation services, and support services for the unemployed. The reduction of long-term youth unemployment is one of its top priorities. In early 2021, the EAM had 315 employees out of whom only 84 are counsellors. The other colleagues are employed in the Central Service as specialized advisors, administrative workers and managers. In specific areas with lower density, a counsellor may have a caseload under 100 cases, and in some areas, over 1000 cases. This unevenness in caseload puts pressure on the uniformity of work and also on quality of service provided. In March 2021, there were 55,283 persons registered as unemployed with the PES, of this figure, 5,930 were youth aged from 15-24. Compared to January 2020, when these numbers were 35,609 and 2,898 for the 15-64 and 15-24 age groups respectively, this is a significant increase; the stock of registered unemployed is 1.5 times higher than in January 2021 for the 15-64 age group, and twice times higher for youth.

Figure 3: Registered unemployed at Employment Service Agency, January 2020 – March 2021



Source: [Observatory on employment in the Western Balkans](#), RCC's ESAP 2 project

The active employment measures focus largely on employment subsidies and on these two fifths (42.0%) of the total expenditure was made. The next priority were the public works/public sector jobs on which one quarter of the budget was spent (26.1%). This was followed by training (10.2%) and self-employment/start-ups (7.8%). Just over one tenth of the budget was spent on other activities.

The Employment Agency of Montenegro (EAM) provides informal training sessions as part of counselling for increasing employability and employment. These measures require the candidate to be officially registered with the Agency. The main instrument used is the “**Individual Employment Plan**”, which is prepared by an assigned expert who creates a profile of the unemployed person, which is matched against suitable job offers. The individual employment plan is based upon personal needs and characteristics of the unemployed, and represents a result of the agreement between the unemployed person and the EAM counsellor. Each activity in the individual employment plan is voluntary and

results from mutual agreement. The plan includes obligations of the unemployed person to attend meetings with the employment manager and attend informal training sessions as a preparation for job search and presentation to employer with the aim of the development of skills for labour market. In case the unemployed person misses any of these arrangements, he or she is removed from the register of unemployed people. Therefore, the person is obliged to strictly follow the plan laid out to him by the employment advisor.

These measures are of general character and are available to all those who are unemployed regardless of their age status. In addition, there are programmes that contain the age restriction such as “Stop to grey economy”.

Many jobs in the private sector are out of reach of this Agency, which are mostly offered through informal channels such as newspapers and websites. Also, there is no adequate labour market needs analysis upon which the measures should be based.

The application process for the Programme of Professional Training of Persons with Acquired

High Education, which was started by the Ministry of Education in 2013 (now Ministry of Education, Culture, Science and Sport) is highly digitalized and cost-effective, requiring little to no paperwork. It has been estimated that during nine years during which this programme has been running, approximately EURO 55 million have been allocated to this

programme from the budget⁸. Considering that no substantive personnel infrastructure is needed to keep this programme running, and that most of the work concerning its operations is left to the direct parties involved (the employer and the employee), the programme has relatively low overhead.



⁸ Laws on Budget Execution for years 2013, 2014, 2015, 2016, 2017, 2018 and 2019; <http://www.skupstina.me/index.php/me/sjednice/zakoni-i-drugi-akti>

5 A ROAD MAP FOR YOUTH EMPLOYMENT IN MONTENEGRO

Montenegro entered 2021 with a changed government, marked with strong discontinuity with previous policies. The rationale of the new reorganisation of ministries was to develop institutions that would be led by experts, in order to develop modern public administration capacity. Education reforms have been announced, and among other, these should better equip youth with practical knowledge

and ensure stronger quality control over education outcomes. The active labour market policies and other measures addressing youth and NEETs have not been adequately financed in relation to the size of the problem. Experience from the EU and around the world identifies a number of essential components of effective policies in this field. These are summarised in Box 1.

Some of these policies have already been partially implemented in Montenegro as identified in section 2 above. There remain several gaps that need to be filled to enable a coordinated and coherent policy approach to addressing the youth employment problem. These could best be addressed by implementing a Youth Guarantee along the lines that has been suggested by the European Commission for the EU member states, with appropriate modifications taking into account Montenegro's level of development and extent of progress in the EU accession process.

This section presents the roadmap for Youth Guarantee in Montenegro, and while this roadmap is an important analytical input, this roadmap cannot replace or prejudice the Youth Guarantee Implementation Plan of Montenegro.

Box 1: Essential components of effective youth employment policies

- Joined-up policies involving multi-agency work
- Job creation: Wage subsidies for businesses who employ young people
- Youth entrepreneurship programmes
- Self-employment incentives
- Training programmes for inactive and unskilled youth
- Apprenticeships and work-based training
- Developing the digital skills of young people
- Career guidance, information and networking
- Outreach programmes to NEETs
- Building the capacity of public employment services
- Monitoring and evaluation

5.1. A Youth Guarantee for Montenegro

The Youth Study Comparative Chapter presents key elements of the EU Youth Guarantee, including recommendations on phases and stages stemming from Recommendation of the Council of the European Union (2020) and the European Commission's Economic and Investment Plan for the Western Balkans, (European Commission, 2020a, 2020b), respectively (for full details, please consult the Comparative Chapter). Thus, while this section of the Annex for Montenegro may contain some repetitive material to the Comparative Chapter, its purpose is to contextualize these recommendations to the Montenegro context. As noted in the Comparative Chapter, it is important to distinguish between the **chronological, implementation stages** of the Youth Guarantee (of the European Commission's Economic Investment Plan) and the **thematic policy phases** of the Youth Guarantee (of the Council of the European Union). The Economic and Investment Plan for the Western Balkans for the Flagship 10, Youth Guarantee proposes four **chronological-implementation stages**, with a zero stage of awareness raising, **the four chronological-implementation stages** and stage zero are:

- ▷ **Stage 0: Awareness raising, Political Commitment and Creation of a Task Force**
- ▷ **Stage 1: Youth Guarantee Implementation Plans**
- ▷ **Stage 2: Preparatory work--** capacity building of stakeholders and authorities, resources made available, mechanism and systems enhanced, feasibility and technical studies

- ▷ **Stage 3: Pilot phase--** to test the measures that have been planned on the new intake of NEETs who have been identified through the outreach programme in a selected number of local authority areas
- ▷ **Stage 4: Rollout to full implementation** – based on the evaluation of the pilot phase, modifications to be made to the Youth Guarantee plan, and commence with its full implementation

For the **thematic-policy phases according to the European Council recommendation**, following four phases are recommended:

- ▷ Phase 1: Mapping
- ▷ Phase 2: Outreach
- ▷ Phase 3: Preparation
- ▷ Phase 4: Offer (of an opportunity in employment, education or training).

with three crosscutting enablers:

- ▷ Mobilising partnerships
- ▷ Improving the data collection and monitoring of schemes
- ▷ Making full and optimal use of funds

Section 5.2 provides recommendations related to the **chronological, implementation stages** related to the introduction of the Youth Guarantee in Montenegro.

Section 5.3 provides recommendations related to the **thematic-policy design phases** of the Youth Guarantee, tailored to the Montenegro context.

5.2 Youth Guarantee- Chronological Stages according to the Economic and Investment Plan

5.2.1 Stage 0: Awareness raising, Political Commitment and Creation of a Task Force(s)

The first step in designing and implementing a viable youth guarantee scheme in each WB economy is the mobilisation of political will and creation of a task force. Political leaders will need to promote the policy concept among their stakeholders and supporters, as well as more generally in the media and among the wider public.

In order to establish a youth guarantee scheme in Montenegro, the first step should be to appoint a Youth Guarantee Coordinator as a focal point at the level of the Director General. This person would provide leadership for the design and implementation of the guarantee package and would champion the swift introduction of the measures in Montenegro.

Other relevant ministries and agencies should be involved in a Montenegro Youth Guarantee Steering Group/Task Force, which is the inter-ministerial task force to establish youth guarantee. It should consist of relevant institutions such as the Ministry of Education, Science, Culture and Sport (MoESCS), public employment service, as well as representatives of the social partners and youth organisations. The Task Force should develop the concepts and operational guidelines for the scheme, and should be chaired by a senior youth guarantee

“policy champion” who would be a high-level member of the government. The members of the Task Force would include ministers/assistant ministers from relevant ministries in charge of policies regarding employment, education, training, social affairs, youth, housing and health systems. A representative of the Ministry of Finance should also belong to the task force to ensure that adequate funding is available. The policy champion should engage with relevant institutions outside government including business associations and chambers, associations of education and training institutions, and international donors. The Task Force should take evidence from academic experts from universities and think tanks as well as from NGOs operating in the field of youth employment and youth policy.

The responsibility of the Youth Guarantee Coordinator would be to ensure that effective coordination and partnerships are implemented across all relevant policy fields relevant to the integration of NEETs and marginalised youth in Montenegro.

5.2.2 Stage 1: Implementation Plans

During this stage, a Youth Guarantee Implementation Plan should be developed. The Youth Guarantee Coordinator should begin with the creation of a Youth Guarantee Implementation Plan for 2021-2027, aligned with the IPA III timetable. The main objective of the Youth Guarantee will be faster activation of young people in the labour market, specifically to ensure all young people a job or a place on a training or educational course within four months of becoming unemployed. Special intensive Youth Guarantee measures will need to be developed for the long-term unemployed and inactive persons who would nevertheless

consider working or further education or training if the opportunities were available.

5.2.3 Stage 2: Preparatory Work

In this stage, capacity building of stakeholders and authorities should take place as well as resources made available, mechanisms and systems enhanced, feasibility and technical studies completed.

The capacity of Employment Agency of Montenegro (EAM) to provide the services to be offered by the Youth Guarantee will require a period of capacity building and preparation of new measures, involving training of staff to deal with the particular problems of young unemployed jobseekers and NEETs.

5.2.4 Stage 3: Pilot Phase

An initial pilot programme should be implemented to test the measures that have been planned on the new intake of NEETs identified through the outreach programme in a selected number of local authority areas (cities/towns/municipalities). The participants in the pilot Youth Guarantee will be given individual career management plans by dedicated and trained officers of the PES. These plans will contain information about opportunities for employment, education or training, with specific offers for each individual participant. The effectiveness of the pilot phase should be assessed through carefully designed evaluation studies to identify which measures work best for NEETs and which do not. This would inform an adaptation of the Youth Guarantee in preparation for its full roll-out and implementation. The Youth Guarantee should then be (re)designed on the basis of the

evidence gathered, and in a final stage, stage 4 rolled out to the entire economy.

5.2.5 Stage 4: Full Rollout

On the basis of the findings from the evaluation study of the pilot phase of the Youth Guarantee, the package of measures should be adjusted to take into account those measures that have proved to be most effective and relevant to the needs of different NEET groups. These should then be entered into a modified Youth Guarantee, which would be rolled out to cover the entire economy.

5.3 Youth Guarantee- Thematic, Policy Phases, according the Council recommendation of 30 October 2020

5.3.1 Phase 1: Mapping

The Employment Agency of Montenegro (EAM) should further develop mapping systems, and early warning and tracking capabilities to identify young people at risk of unemployment or inactivity. Rapid research should be carried out to identify the different needs of the various categories of young people, including early school leavers without a job or inactive, graduates from secondary school level who face difficulties entering the labour market as first-time jobseekers and those who are either long-term unemployed or inactive but would like to work, and university graduates who

do not have a job, especially young women graduates without work or who would like to start their own business but face financial or other barriers to doing so.

In order to implement the Youth Guarantee, the EAM will need to forge intensive partnerships with the business sector, youth organisations, Centres for Social Welfare, local self-government authorities, and private job agencies. It is worth highlighting, that within the IPA project “Local Employment Initiatives” that is implemented under the SOPEES Programme, Local Employment Partnerships have already been established in 21 municipalities of Montenegro and these could be further strengthened with focus on Youth Guarantee goals.

Cooperation with institutions working with young people, such as Centres of Social Welfare, schools and universities, youth organisations and NGOs that operate within the youth sector would be essential in order to inform and encourage young people to register with the EAM as soon as possible after they complete schooling or graduating from university, or if they are in a NEET situation.

5.3.2. Phase 2: Outreach

In order to get an offer of employment, continued education, apprenticeship or traineeship with the Montenegro Youth Guarantee framework, eligible young people should be obliged to register with the EAM. Some young people may require assistance prior to registration with the EAM, from social services and NGOs. The capacity of the EAM to reach out to encourage greater numbers of young people to register for the Montenegro Youth Guarantee should be further developed. Outreach programmes should be developed for hard-to reach NEETs as described above in section 3.2. These may be young people with low skills who have only

completed primary compulsory education, or youth from marginalised groups. An Outreach Strategy should be developed to identify the best way to involve partnerships between the social services, employment services, community groups and youth NGOs to reach out to marginalised NEET groups.

5.3.3. Phase 3: Preparation

This phase includes new activation measures; preventative measures to tackle early leaving from education and training by disadvantaged youth; strengthening of the existing measures, and more intensive measures of active employment policy for less advantaged young people such as NEETs with low and medium levels of education.

The Youth Guarantee should ensure that all young people are supported by the EAM to access the labour market through the provision of high quality public employment services, including the provision of labour market information on vacancies, and improved career counselling and guidance services, as well as tools for independent career management. Prevention measures to tackle early leaving from education and training by disadvantaged youth should be designed and implemented. For more advantaged young people, such as graduates from school or university, measures of job referral procedures and career counselling and mentoring are already available and should be strengthened. For less advantaged young people such as NEETs, more intensive measures of active employment policy should be provided, as well as the opportunities for further education and skills development. Additional interventions should address young people's preferences and personal development needs, for instance through age-appropriate communication, peer-to-peer learning, positive adult-youth relationships, and support to goal management.

After registering with the Employment Agency, all eligible young persons should be provided with information and basic career counselling by a Youth Guarantee Counsellor. An initial career counselling session should aim to identify the specific needs of the client, their employability, interests and competences. This should lead to an agreement on the client's employment targets and follow-up activities, including the type of offer that would provide the best match to the identified needs. The counsellor should check the job search skills of the client and agree an individual plan to improve their skills. For those who are ready for the employment, an appropriate support should be provided, including the creation of a high-quality CV and profile in relevant job portals and providing job referrals to employers who are partnered to the Montenegro Youth Guarantee. Young people enrolled on the Montenegro Youth Guarantee should be provided with information on possibilities and opportunities for training, education or realisation of their business ideas. After three months of unemployment, another round of career counselling should be provided which would involve checking the effectiveness of the activities already carried out and the job or training application documents, including the profiles in the job portal. A further agreement on activities to be carried out under the Montenegro Youth Guarantee should be drawn up after an intensive set of job-search or training/apprenticeship application activities have been agreed. Such activities should comprise intensified career counselling, the creation of new employment objectives and intensified job search activities, and inclusion in a group workshop on career management skills provided by the EAM. In this phase, the measures of the Youth Guarantee should be designed to introduce a greater focus on the opportunities for education and training that are available, with the aim to increase the client's

employability. Training should be adjusted to specific target groups and individual needs in connection with the needs of employers who are partnered with the Montenegrin Youth Guarantee. Job referral should be continued, as well as other methods of presentation to employers.

After four months of unemployment and/or after conclusion of different forms of training the client would be offered a more intensive service and additional measures of support within the Montenegrin Youth Guarantee scheme. The intensified services would include in-depth career counselling and/or enrolment in a group learning the career management skills provided by specialised private consultants. The measures would also include more intensive incentives for employers (employment subsidies, co-financed traineeship in certain sectors, mentoring schemes) to encourage them to provide a suitable offer of employment or training to the eligible young people from the various target groups. Young jobseekers would also be provided with a similar set of incentives to start up their own individual business or join together to establish a cooperative business.

5.3.4 Phase 4: Offer

Young people should be assisted into work by a mix of youth labour market measures that would include subsidised employment offering income and work experience, support for entrepreneurial start-ups, specific training for the needs of the labour market, paid apprenticeships within specific businesses, and youth career guidance services. Such services should be designed to be sensitive to the specific needs and preferences of young people. For these measures to be successful, it is crucial that they are implemented with a

good understanding of the key target groups and should adopt a youth-centred approach addressing specific barriers to employment in local labour markets.

5.3.4.1 Employment including self-employment

Creating jobs

In order to bring the most disadvantaged youth and NEETs into the labour market, job creation schemes should continue to be based on wage subsidies for private sector employers offering low wage jobs for young jobseekers who have been registered with the EAM and who have only primary education qualifications or less or are secondary VET school graduates. The concept of wage subsidies has been accepted and applied in response to the COVID-19 pandemic, but not specifically targeted at youth, with the exception of the subsidy for new employment creation. This measure should be incorporated into the Youth Guarantee and targeted at employers who hire young workers in low-wage sectors. It should be made available to all youth who have been registered with the EAM, irrespective of their educational achievement. The wage subsidy should be a flat rate subsidy equivalent to the minimum wage, thus eliminating the distorting effect of minimum wages on the demand for labour and increasing youth labour demand.⁹ Another parallel measure which could be undertaken is for government to fund the social security contributions for all employers who employ someone for a first time, with a duration of a year or more, in this way providing a great incentive to businesses to employ young people, and to young people and NEETs to register with the Employment Agency.



⁹ For the economic argument in support of wage subsidies as an efficient way to create jobs and prevent poverty among low wage workers see Phelps (1997).

Providing entrepreneurial and self-employment opportunities

The development of youth entrepreneurship should be supported by the development of business incubator services and financial support to youth entrepreneurs. The current measures are not cost effective and favour those who have graduated from university, and who are already in a privileged position. The economic structure in Montenegro provides for many vacancies in services and agriculture sectors, and a programme of government-funded self-employment grants should be developed in these sectors to which each young person could apply. Its design could be based on the existing self-employment project (There is a reasonable likelihood that this measure will continue in future). Young people who submit an idea and confirm their capabilities would receive a government grant for business start-up. This way, many young people who chose to pursue a career in small business would get a chance to employ themselves. It would also promote the culture of start-ups and individual initiative. These would be one-time grants, with the possibility of a second-chance grant if the failure of the first business idea could be justified by objective circumstances. Developing this mechanism of government-grants could target youth in the less developed region of North Montenegro, and could serve as an incentive for engaging in rural economic activities. All these measures could be additionally supplemented by informal training courses delivered through an online platform and other media.

5.3.4.2 Apprenticeship and work-based learning

VET schools should be supported to partner with the business sector to develop work-based training programmes for secondary

school students. This type of **dual education** system should be introduced through reforms of education policies in both entities. In this way students will gain work experience while still at school and will learn practical skills relevant to the labour market. Work-experience placements should be supported through subsidies to employers. The reform of the educational system should proceed with a set of optional and mandatory modular courses focused on practical knowledge in the field concerned. Students could be offered short work-based learning opportunities which would be formally assessed and contribute to exam points.

Instead of providing unpaid internships after graduation from a university, paid apprenticeships should be offered to students while at university, also linked to points which would contribute to their final assessment for graduation. An apprenticeship programme, through which students are employed part-time in a company providing training, should be supported by partnerships between universities and the business sector to ensure a high quality of training and work experience. The programme should be designed for eligible companies, with finance provided through an apprenticeship levy on such companies. Formal partnerships should be developed with employers who are willing to offer jobs, work-experience training opportunities and apprenticeships to young people within the framework of the Youth Guarantee. Partnered employers would benefit from government subsidies, but would also be regulated to ensure that the jobs they offer are decent high quality jobs and that the training provision and apprenticeship schemes offer added value to each involved young person's human capital.

Career guidance and job search assistance

Montenegro is a small economy which is relatively well linked to the internet. As many as 93.3% of students access the internet on a daily basis, using social networks and other media. A permanent online platform for employment and education should be developed, through which young people could familiarise themselves with various professions. This platform would also unify the supply and demand for work. It would be linked with relevant agencies which would track the development of the job market. It could be managed by the EAM with the cooperation of educational institutions and employers, which would provide users with up to date information on the basis of which they could adjust their career choice and informal trainings. The platform should be open to online training sessions reflecting labour market needs and the preferences of the candidates. If such a platform were to be developed and advertised within schools and universities, the youth would be more likely to develop a more proactive stance towards employment opportunities.

5.3.5 Youth Guarantee-crosscutting enablers

Effective use of the three cross-cutting enablers is key for successfully implementing the Youth Guarantee scheme and achieving the delivery of quality offers to young people.

5.3.5.1 Mobilising partnerships

Policies to address youth employment have a cross-cutting nature and should be designed and implemented jointly by governmental institutions at respective levels, the private sector, the business sector, NGOs and youth associations.

In order to implement the Youth Guarantee, government ministries and agencies (e.g., EAM) should forge more intensive partnerships with the business sector, youth organisations, municipalities, and private job agencies, and new partnerships will need to be developed. Effective cooperation and integration with social partners, representatives of young people's association and youth clubs, Centres for Social Work, and the EAM will be crucial for the successful implementation of the Montenegro Youth Guarantee. The EAM should establish more effective communication with schools and other providers of training and education. It is worth highlighting that since 2011, the EAM in cooperation with the Ministry of Education has been implementing a programme for career guidance in primary and secondary schools. Within this programme, the role of market institutions is presented to students, and these activities should be strengthened throughout the curricula, and other partnerships should be developed to advance the Youth Guarantee objectives. Intensive cooperation with employers is also vitally important. Therefore, formal partnerships need to be developed with employers who are willing to offer jobs, work-experience training opportunities and apprenticeships to young people within the framework of the Montenegro Youth Guarantee. Partnered employers would benefit from government subsidies but would also be regulated to ensure that the jobs they offer are decent high quality jobs and that their training provision and apprenticeship schemes offer added value to each involved young person's human capital.

5.3.5.2 Improving the data collection and monitoring of schemes

Monitoring and evaluation: All youth labour market measures and employment programmes implemented by the EAM, other institutions and special programmes for NEETs including outreach programmes should be regularly monitored and evaluated. The Youth Guarantee implementation plan should be regularly monitored by a working group in which representatives of all sectors responsible for the Montenegro Youth Guarantee implementation would participate. The providers of the measures would report to the working group on a regular basis concerning the implementation of the measures under the Montenegro Youth Guarantee scheme.

5.3.5.3 Making full and optimal use of funds

Montenegro should dedicate adequate own resources to the implementation of the policy measures put forward by the Youth Guarantee. The EU funding through IPA III can support the introduction of the Youth Guarantee, in line with the European Commission Economic and Investment Plan for the Western Balkans, Flagship 10, Youth Guarantee.

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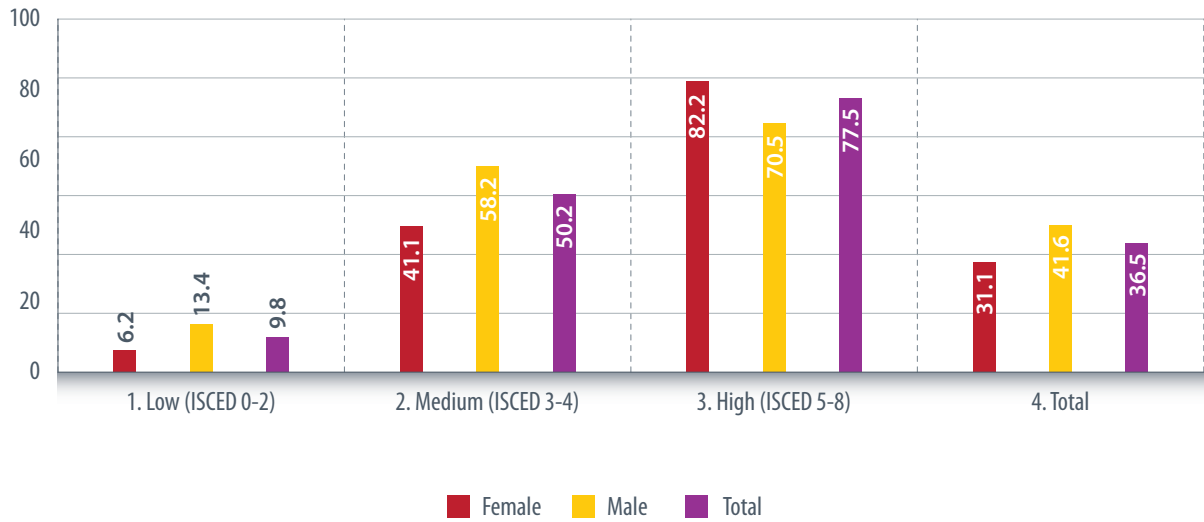
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7 APPENDIX

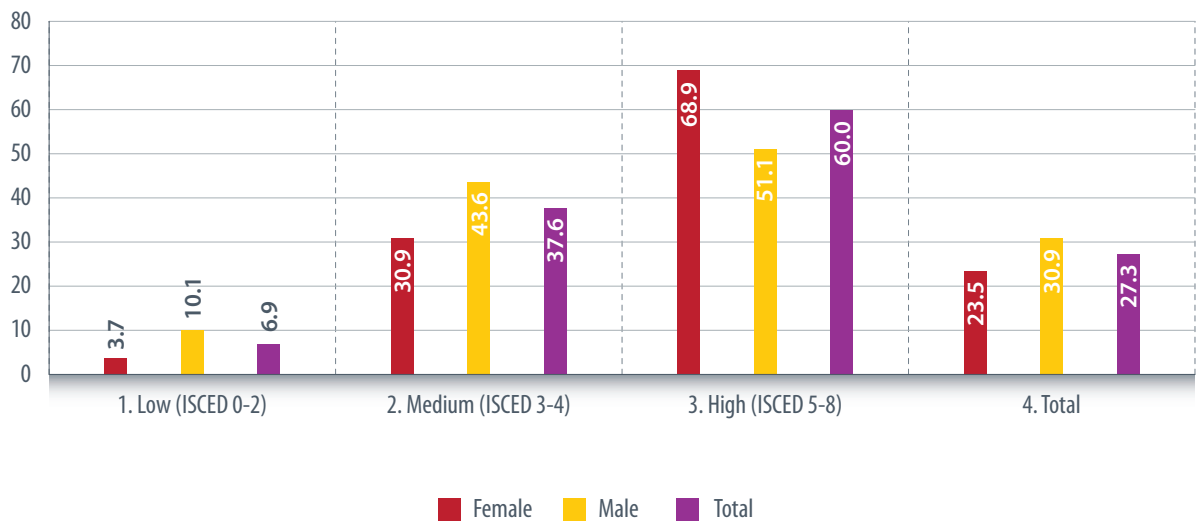
This appendix shows the main labour market performance indicators for 15-24 years age group in Montenegro in 2019. The Figures are constructed from data in the Eurostat online database.

Figure A1: Labour force participation rate by gender and education, 15-24 age group, Montenegro 2019 (%)



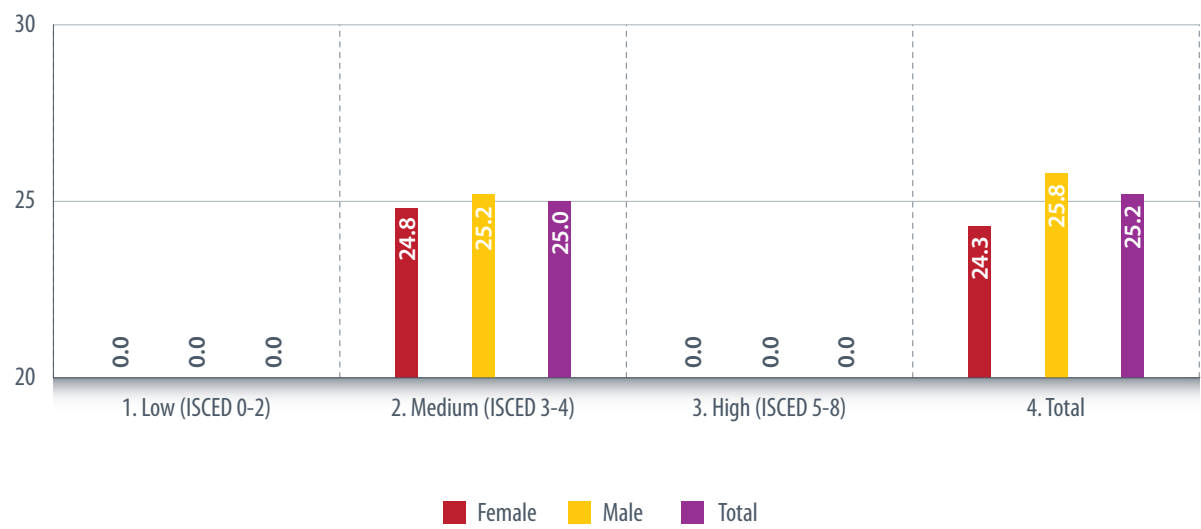
Source: Eurostat online database

Figure A2: Employment rate by gender and educational level, 15-24 age group, Montenegro 2019 (%)



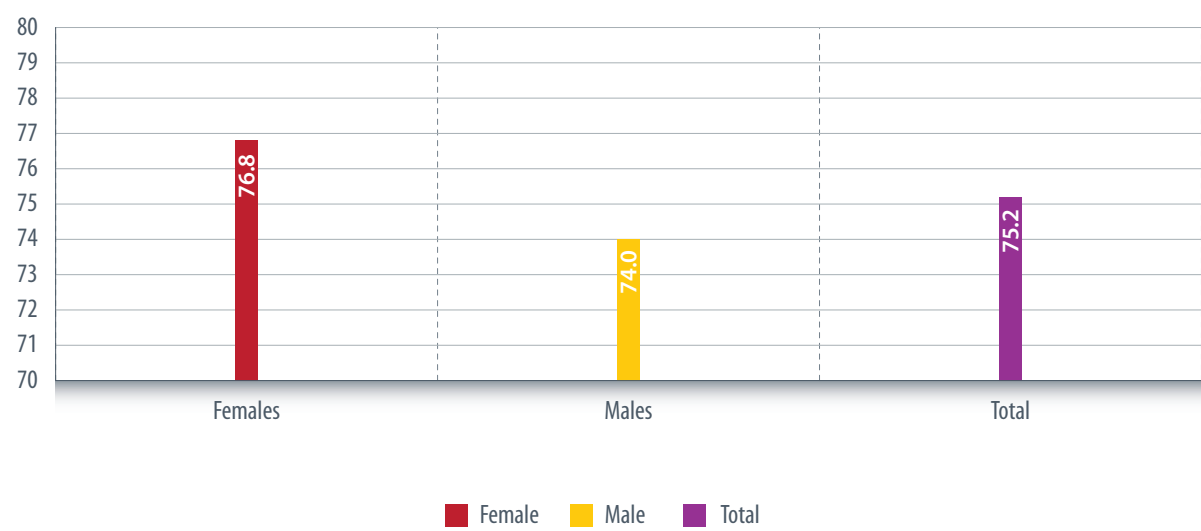
Source: Eurostat online database

Figure A3: Unemployment rate by gender and educational level, 15-24 age group, Montenegro 2019 (%)



Source: Eurostat online database

Figure A4: Temporary employment share of all employment by gender, 15-24 age group, Montenegro 2019 (%)



Source: Eurostat online database

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