1. GENERAL GOVERNANCE

Montenegro is a Parliamentary Representative Republic. The president is head of state and the prime minister heads the government. The government also comprises deputy prime ministers and ministers, and exercises executive power, while both government and parliament exercise legislative power. The judiciary is independent of the executive and legislature. Montenegro has formal candidate status for membership of the European Union and opened negotiations for accession in June 2012.

There are 22 local self-government units and two urban municipalities. They are autonomous, deciding their own budgets and financed from their own sources and the state.

Basic employees’ rights are protected by law and there are two national trade union confederations - Confederation of Trade Unions of Montenegro (SSCG) and the Union of Free Trade Unions of Montenegro (USSCG). The Montenegrin Employers’ Federation (UPCG) is the only representative employers’ association, its members employing about 65% of the labour force.

2. VET GOVERNANCE

Key roles and functions

Policy making happens mainly at national level. The key actors are the Ministry of Education (MoE) the Ministry of Economy and the affiliated councils and institutions. Parliament is engaged in two out of seven governance functions, while MoE is engaged in six. The Ministry of Economy is involved in mobilising financial resources. The main strategic actors are the Qualifications Council, the National Council for Education, the Centre for Vocational Education and Training (VET Centre), the Bureau for Educational Services (BES), the Examination Centre, the Sectoral Commissions for all qualification sectors, and the Employment Agency of Montenegro.

These councils and institutions have a decision-making role in the VET policy-making process. The Qualifications Council is involved in three VET governance functions, while the National Council for Education is engaged in four. Both the Centre for Vocational Education and Training and BES are engaged in five. The Examination Centre, the sectoral commissions for all qualification sectors, and the Employment Agency of Montenegro are involved in two functions. Key sectoral actors are the employers’ associations, trade unions and the Chamber of Economy. They are engaged in three out of seven governance functions through representatives in the Qualifications Council and sectoral commissions. The Chamber of Commerce of Montenegro is involved in two VET governance functions.

At regional and local level, the local employment units of the Employment Agency are engaged in management of public and private partnerships for VET and skills, while the municipalities are involved in all functions, though they don’t have a decision-making role in policy making.

Financing

The main source of VET finance is the state, with international donors like the UN and UNICEF also significant through projects enhancing VET, skills, and employment, as well as SME training. The Chamber of Commerce and MoE provide scholarships to first-grade VET students, and children from vulnerable groups, from a joint fund. MoF leads on budget planning, while funding is on a per-capita basis. There is also subsidy for businesses offering seasonal employment.

Coordination mechanisms for VET policymaking

Legislative or normative orientated mechanisms include VET-related strategies and action plans. The Montenegro Economic Reform Programme 2015-17 and the Employment Social Reform Programme 2015-20 are the most important. They define VET, skills development, and education and training as vital for social inclusion, increasing employment and reducing poverty.

The Operational Program for Human Resource Development 2012-13 defined priorities for VET, labour market and skills development: establishing
labour market measures for social inclusion; enhancing knowledge, skills and competencies for employability and competitiveness; and providing technical support. Achieving these targets depends on, among other things, fostering the labour market and employment, developing VET qualifications, and enhancing innovation in higher education, research and business. A new VET Development Strategy running until 2020 prioritises quality and efficiency of VET to meet labour market needs; equal opportunities for VET qualifications; and lifelong learning. Achieving this means improving labour market research, establishing quality assurance in VET, improving professional development of teachers, improving school management’s competencies, adapting curricula for people with special educational needs and for gifted students, and creating conditions for work-based learning.

Other strategies include the Strategy for Lifelong Entrepreneurial Learning 2015-19; the Strategy for Lifelong Career Guidance 2011-15, which has led to careers teams in eight VET institutions; and the Strategy for Establishment of the National Qualifications Framework, backed by a law which established the Qualifications Council and sectoral commissions and led to procedures for developing qualifications. A 2015 law established that the VET Centre reports to the government and introduced per-capita funding.

In institutionalised policy advice orientated mechanisms, MoE leads on education policy at all levels. Three advisory boards incorporate social partners. The Qualifications Council supervises development and placement of qualifications in the NQF, adopts occupational standards and qualifications standards and monitors NQF development overall. It includes representatives from universities, the Employment Agency, Ministry of Labour and Social Welfare, MoE, Chamber of Economy, employers’ associations, trade unions, the VET Centre, Bureau for Educational Services (BES), and the Examination Centre. Sectoral commissions for all sectors draft descriptions of qualifications in line with defined priorities and recommend new qualifications or changes to existing ones.

The National Council for Education (NCE) defines compatibility of qualification standards and educational programmes and is responsible for the process of attaining qualifications. It is supported by BES and the VET Centre. Public-private partnerships include the scholarship fund run by MoE and the Chamber of Commerce, which supported 60 first-grade VET students in 2013-14. BES, the VET Centre, VET schools, and the Roma Education Fund have started a project to include Roma children in secondary education. And in 2014 MoE started a project under the auspices of UNICEF aiming to create individual plans for children with special needs.

Knowledge creation orientated mechanisms include quality assurance based on external and internal evaluation, which is necessary for all public institutions. BES and the VET Centre carry out external evaluation. VET institutions carry out self-evaluation of specific functions each year, and of all functions every two years. Reports on both internal and external evaluation are made public. A monitoring and counselling system controls the risk of students leaving school early. It has gathered data on students leaving voluntarily, being excluded, or at risk of dropping out.

Country typology

VET governance is centralised. Montenegro has made significant progress in improving VET and skills development through strategies, action plans, and other policy documents, public bodies for VET, and public-private partnerships that demonstrate a comprehensive vision for VET. But policy-making is carried out by public bodies at national level. Nevertheless, social partners and private sector stakeholders are engaged in the process through councils. And public bodies cooperate with each other, as in the case of projects by BES and the VET Centre.

A vision for VET, the establishment of public bodies, improvement to the NQF and the quality assurance system for VET in line with EU standards are significant steps towards multi-level, multi-actor governance. But financial obstacles inhibit VET reform. Financing is inadequate and there is no decentralisation for municipalities and VET providers. Also, there are more public-private partnerships for employment than for VET. This, along with overlapping responsibilities among public bodies, hampers progress towards good multi-level governance.

Development assessment

VET governance development is structured. VET governance is still centralised and carried
out mainly at national level. But there is social dialogue among all key stakeholders, all governance levels are involved in policy-making and the key actors have efficient and adequate capabilities. Nevertheless, moving from structured to ‘defined’ multi-level governance will mean overcoming challenges including: coordinating several strategies and activities, and various public institutions; inadequate financing and funding; lack financial autonomy for VET providers; lack of financial incentives for public-private VET financing; and overlapping responsibilities among public bodies.

**Ongoing work in policy development**


Quality assurance in VET, specifically the internal and external evaluation processes, is an example of evaluating and reviewing VET policies. Further development of this system could contribute significantly to VET reform.

MoE’s collaboration with the Chamber of Commerce on a scholarship fund is an example of both public-private partnerships for VET and skills development, and mobilising financial resources.

**3. POLICY POINTERS**

Policy makers may wish to consider the following points for reflection, with a view to working towards their implementation in line with national priorities and in the context of national, regional, and local needs.

**Overall planning and management**

1. Identify priorities and criteria to fully implement and achieve objectives of strategical framework shaping VET in the country.

2. Use strategical framework for discussing renewed legislation in VET.

3. Develop a flexible VET system based on learning outcomes, in line with individual and social needs.

4. Develop overall multi-level and multi-actor VET governance planning to make raise the quality of VET and make it more attractive and responsive to labour market needs.

5. In this context, clarify better roles of public and private actors in the system and allocate management decisions to the level that will make them most effectively.

6. Strengthen the active involvement of social partners and private sector stakeholders, and engage NGOs more in policy-making within policy cycle.

7. Develop a comprehensive framework for private sector, employers’ and social partners’ engagement in VET to better connection of labour market needs and VET skills.

8. Make initial and continuing VET more accessible for different target groups, including certain minorities.

**Finance and funding**

1. Increase financial resources for VET system development.

2. Discuss with VET community how to promote new investments by non-state stakeholders in VET.

3. Discuss a legal framework that might include room for strengthening VET providers’ financial autonomy.

4. Open consultation with VET community to promote financial incentives to enhance participation of private sector stakeholders and social partners in the system.
5. Use dialogue for discussing a model of tax reliefs/deductions as an incentive for companies’ to activate its involvement in education and training within lifelong learning perspective.

6. Institutionalise this framework through legislation and engage all the proper actors’ and beneficiaries in implementing and monitoring it.

Coordination mechanisms for VET policy making

1. Use social dialogue outcomes to inform discussion on VET legislative framework.

2. Use such results to institutionalize a mechanism to strengthen public and private stakeholders’ - social partners and NGOs’- engagement in VET policy-making, by scaling up on-going practices and projects.

3. Promote design and incentives for work-based learning approaches in all forms by developing individuals’ key competencies (including entrepreneurship) and enhancing teachers’ training and quality assurance.

4. Develop a quality system further whilst improving the indicators for quality assessment of VET providers.

5. Strengthen initial and continuing professional training of VET teachers.

6. Foster further recognition of prior learning and the development of the NQF.

7. Develop a comprehensive and accessible VET database to support further VET analysis and management.

8. Use communication tools to raise awareness for increasing individuals’ participation in lifelong learning programmes.