

KEY POLICY DEVELOPMENTS IN EDUCATION, TRAINING AND EMPLOYMENT

MONTENEGRO

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EXECUTIVE SUMMARY

In 2024, Montenegro experienced political stabilisation with the establishment of a new government, marking a significant shift from the political instability that characterised 2023. The government's renewed commitment to the European Union (EU) accession process led to the fulfilment of crucial interim benchmarks in Chapters 23 and 24, as confirmed by the EU on 26 June 2024. This progress sets the stage for Montenegro to begin closing chapters in its EU accession negotiations, with 33 chapters opened and three provisionally closed. This development reflects an overall strengthening of political governance and a more favourable environment for future reforms.

The economy demonstrated robust growth in 2023, estimated at 5.8%, primarily due to a successful tourist season and increased private consumption. However, projections indicate a deceleration in economic growth between 2024 and 2026, underscoring the urgent need for enhanced fiscal governance and improved public investment management. Despite existing fiscal rules, their weak enforcement mechanisms challenge the long-term sustainability of public finances. As the country navigates these economic challenges, reforms are clearly needed to bolster fiscal discipline and promote sustainable economic growth.

In the education sector, Montenegro initiated the development of a comprehensive strategy aimed at addressing systemic challenges, which will incorporate key recommendations from national consultations and UNICEF's analysis. This strategy focuses on improving school infrastructure and teacher training to support equity in access to education, and the digital and green transitions within the education system. Areas for improvement include developing a comprehensive approach for each education level, strengthening connections with work-based learning, and incorporating career guidance to address future skills mismatches. Participation rates in early childhood education and care fell short of EU targets, necessitating the implementation of the Strategy and Action Plan for Early and Pre-school Education (2021-2025) to increase enrolment and align with international standards. The government's efforts reflect a commitment to enhance the quality of education and ensure equitable access for all children.

Montenegro faces significant challenges regarding youth transition to work, with one in five young people not in employment, education or training (NEET) in 2023. NEET figures, while slightly improved from pre-pandemic levels, remains nearly double the EU average, highlighting persistent difficulties in transitioning from education to employment. The recently initiated Youth Guarantee is expected to progress significantly in this direction. The VET Strategy 2020-2024 and the recently approved Action Plan for 2024 aim to enhance vocational education and training. Work-based learning is a priority for improving youth employability, yet challenges such as funding disparities and skills mismatches persist, particularly among upper secondary and university graduates.

The labour market in shows signs of gradual recovery, with increased employment rates and a decrease in overall unemployment, although challenges remain, particularly for vulnerable groups. While the activity rate rose to 58.9% in 2023, unemployment decreased to 13.1%, indicating improved labour market conditions. However, long-term unemployment remains a critical issue, disproportionately affecting women and youth. Active Labour Market Policies (ALMPs) have been implemented to enhance employment opportunities, but participation in training programmes remains limited. Additionally, ongoing initiatives to modernise the Employment Agency of Montenegro through digitalisation aim to improve the agency's operational capacity and the effectiveness of labour market interventions, reflecting a commitment to strengthening employment outcomes.

1. KEY POLITICAL, DEMOGRAPHIC, ECONOMIC AND SOCIAL CHARACTERISTICS

Political developments

In 2024, Montenegro saw a more stable political environment following the appointment of a new government, addressing the political instability that marked 2023. Throughout this period, Montenegro maintained its commitment to the EU accession process and the enlargement agenda. The country met the interim benchmarks for Chapter 23 on Judiciary and Fundamental Rights and Chapter 24 on Justice, Freedom, and Security, a significant achievement confirmed by the EU on 26 June 2024. This progress enables Montenegro to begin closing chapters in the accession negotiations. To date, 33 chapters have been opened, with 3 provisionally closed.

Montenegro's Reform Agenda strongly aligns with the EU policy framework, prioritising rule of law, the fight against corruption, and fundamental rights (EC, 2024a; 2023c). This agenda aims to advance Montenegro's EU integration by accelerating alignment with EU values, laws, standards, and practices (the 'acquis') and promoting socio-economic convergence with the EU single market. The implementation of the Growth Facility began swiftly, with Reform Agendas being submitted following extensive national consultations. In June 2024, Montenegro adopted a 2024-2028 Anti-Corruption Strategy and a 2024-2025 Action Plan. Additionally, Montenegro has committed to reforms to strengthen fundamental rights, focusing on combating gender-based violence, promoting equality, and enforcing anti-discrimination policies.

Demographics

Montenegro, the smallest of the Western Balkan countries in terms of land area and population, had 623 633 inhabitants in 2023 (MONSTAT, 2024a). This represents a 0.17% decline compared to 2022, and a cumulative decrease of 1% from 2017 to 2023. The primary drivers of this population decline are migration and a reduction in natural population growth. Almost 29% of the population lives in Podgorica, the country's capital, and 11% in Niksic, located in the north-west (MONSTAT, 2024a). Young people (ages 0-17) represent 21.5% of the total population, a proportion that has been declining in recent years, as indicated by the relative size of the youth population. Similar to other nations in the region, Montenegro experiences significant internal and external migration flows. Internally, migration occurs predominantly from the northern regions toward the central and southern parts of the country and from rural to urban areas, leading to depopulation in the northern municipalities. Externally, outward migration, particularly to the European Economic Area (EEA) and Switzerland, has tripled over the past decade (OECD, 2021), with this trend expected to continue. Conversely, inward migration, notably from Ukraine and Russia, has steadily increased, driven largely by geopolitical developments. These demographic changes have begun to exert visible impacts on Montenegro's labour markets. In 2023, 3 093 asylum seekers were accommodated in reception centres, marking a 50% decrease compared to 2022, when the figure stood at 6 202 (EC, 2024a).

Key economic developments

In 2023, Montenegro experienced strong economic growth, estimated at 5.8%, largely driven by a successful tourist season and increased private consumption, supported by the influx of foreign nationals. However, this growth is expected to decelerate between 2024 and 2026, emphasising the need for improved fiscal governance and public investment management (EC, 2024a,c; IMF, 2024). While fiscal rules exist, they lack strong enforcement mechanisms, posing challenges for the long-term sustainability of public finances.

The informal economy remains a significant barrier to Montenegro's sustainable growth, driven by institutional weaknesses and insufficient tax enforcement. A survey by the Ministry of Finance estimated the informal economy at 20.6% of GDP within the formal sector, rising to 37.5% when

including fully informal activities (EC, 2023a). This disproportionately impacts small and medium-sized enterprises (SMEs), especially in the services sector. Reducing informality, as outlined in the Economic Reform Programme (ERP), would improve the business environment and enable SMEs to make better use of skilled migrant labour.

Economic diversification is critical to reducing Montenegro's vulnerability to external economic shocks (IMF, 2024). While tourism remains a key sector, especially with potential growth in the northern regions and niche markets, other sectors, such as renewable energy, offer substantial opportunities. Montenegro's natural endowments in hydro, solar, and wind power provide significant potential to boost energy production and exports, aligning with the country's climate goals. Prioritising high-return investments in physical and digital infrastructure will be key to ensuring sustainable growth across sectors.

Key social issues

As of 2023, 20.3% of Montenegro's population is at risk of poverty, with significant regional and demographic disparities (Monstat, 2024a). The rural North region is particularly affected, with 40% of its residents facing poverty (in 2021, latest data by Monstat)¹. Individuals with lower educational attainment are also disproportionately impacted, as 33.8% of those with primary education or lower fall into this category. Poverty affects both men and women equally, but it is notably more prevalent among young people. Approximately 30.5% of those under 17 years old and 25% of individuals aged 18-24 are at risk of poverty. Challenges persist in addressing income disparities, and further reforms are needed to ensure more equitable economic benefits. Between 2018 and 2022, Montenegro introduced major economic, educational, and social policy reforms, including a universal child allowance, labour market updates, and tax changes. The most notable package, launched in January 2022, raised the minimum wage, restructured income tax, and removed mandatory health insurance contributions to improve living standards and promote inclusive growth (see ILO, 2023).

The Roma community remains among the most vulnerable groups, facing higher levels of poverty and social exclusion. In response, Montenegro has adopted the Strategy on Roma Inclusion (2021-2025) and its accompanying Action Plans, which aim to address educational and labour market challenges specific to this group. While progress has been slow, it has been steady. Additionally, Montenegro is committed to the Poznan Declaration, which seeks to promote the social inclusion of marginalised communities.

These trends in poverty and social exclusion reflect broader structural challenges, with particular implications for youth, rural residents, and marginalised ethnic groups like the Roma, highlighting the need for sustained efforts to promote social and economic inclusion.

¹ See <https://www.monstat.org/eng/page.php?id=1531&pageid=1531>, accessed 08/11/2024.

2. EDUCATION AND TRAINING

2.1 Trends and challenges

Education strategy and legal framework for education

In early summer 2024, a working group was established to lead the development of a comprehensive education strategy in Montenegro, aiming to address the need for sector-wide reforms. The strategy will build on key recommendations from the national consultation report and UNICEF's education sector analysis (UNICEF & MoE, 2022). These reports highlight the need for renewed school infrastructure and a focus on teacher training, both pre-service and in-service, to support the digital and green transitions in the education system.

A major milestone was achieved in 2023 with the procurement of educational equipment funded by a European Investment Bank (EIB) loan. This equipment is expected to be delivered to schools by the end of 2024, marking a significant step toward modernising the education sector.

Education expenditure

According to the latest data, in 2020 education expenditure as a percentage of GDP stood at 4.7%, compared to the EU goal of 4.6% by 2030. In the Western Balkans in 2022, education expenditure ranged from 4.1% in Bosnia and Herzegovina, 3.2% in Serbia, and 2.7% in Albania, compared to the EU-27 average of 4.8%².

Access, participation and early school-leaving

In the 2022/23 school year, participation in early childhood education and care (ISCED 02) reached 81.5%, which is below the EU target of 87% (MONSTAT, 2023). The northern regions of Montenegro show significantly lower take-up rates. To address these gaps, the Strategy and Action Plan for Early and Pre-school Education (2021-2025) has been implemented to increase attendance and align Montenegro with international standards in early education.

For upper secondary education, 68.8% of students were enrolled in vocational education and training (VET) programmes during the 2022/23 academic year, reflecting a slight decline from previous years. Adult learning (lifelong learning) participation remains low, with only 4.6% of adults (aged 25-64) engaged in such programmes in 2022, compared to the EU average of 10.8%. Women had a slightly higher participation rate than men (5.1% vs. 4.2%), and most adult learning occurs outside the formal education system, typically as part of publicly funded labour market initiatives.

Early school leaving (ESL) rates have significantly increased, reaching 6.8% in 2023, up from 5.2% in 2022, likely due to the lingering effects of the COVID-19 pandemic on education and training. The rate among young men surged to 7.6% in 2023, nearly doubling from pre-pandemic levels (3.6% in 2020), while the rate for young women more than doubled to 7.6% from 2.7% in 2022. These trends, particularly among young women, exacerbate existing gender disparities in labour market participation, highlighting the need for more effective and holistic policy measures to prevent early school leaving, especially among girls.

PISA results

Improving the quality of the education system has remained a priority for the Montenegrin government, especially following the poor PISA results in 2018. Underachievement in key competencies, including mathematics, reading, and science, remains a critical challenge. In the 2018 PISA assessment, 46% of students underperformed in mathematics, 44% in reading, and 48% in science (OECD, 2022b).

² See World Bank <https://data.worldbank.org/indicator/SE.XPD.TOTL.GD.ZS?locations=AL-BA-RS-EU>, accessed 08/11/2024.

These figures have shown little improvement since 2009, with 40-50% of 15-year-olds consistently underachieving in these core subjects.

Montenegro's participation in the 2022 PISA assessment revealed further declines in performance. In mathematics, the proportion of underachieving students decreased slightly to 40%, but increased to 47% in reading and remained high at 45% in science. These results underscore the need for comprehensive reforms, as highlighted by UNICEF in its 2022 Education Sector Analysis. UNICEF's recommendations focus on improving the overall teaching and learning environment to address these persistent gaps in student performance. Boys and girls performed at similar levels on average in mathematics, but girls outperformed boys in reading by 36 score points.

Young people not in employment, education or training (NEET)

The high proportion of NEETs (young people aged 15-29 not in employment, education, or training) remains a significant concern in Montenegro, with broad societal implications. In 2023, 20.3% of youth fell into the NEET category, a slight improvement from the pre-pandemic rate of 21.3% in 2019. However, this figure remains nearly double the EU average of 11.2%. NEET rates are notably high among both upper secondary and university graduates, indicating persistent challenges in the school-to-work transition.

Women are slightly more likely than men to become NEET, with rates of 20.8% compared to 19.8% for men. The transition from school to the labour market continues to be a major hurdle for many young people, driven by inactivity and ongoing skills mismatches between education outcomes and labour market demands.

To address this challenge, the Montenegrin government submitted an Implementation Plan in May 2024 to introduce a series of reforms in line with the EU Youth Guarantee, aiming to provide better pathways for youth employment and education. The Youth Guarantee in Montenegro will be piloted at municipal level in 2024-2025. Both education and labour market policy sectors must coordinate efforts to tackle the NEET issue, ensuring that the specific needs of young people, particularly those at risk of falling into the NEET category, are adequately addressed.

2.2 Initial VET and adult learning

Strategic and legal framework for initial VET and adult learning

Currently, the Montenegrin VET Strategy 2020-2024 is in place, accompanied by the approved Action Plan for 2024 (adopted in Aug 2024). The Action Plan defines measures and activities for implementing operational goals: 1) Vocational education that enables skills, competences and qualifications for employability, lifelong learning, inclusiveness, personal development and active citizenship of individuals; 2) Vocational education that is relevant for the individual, the labour market and society, and which is accessible and innovative; 3) Comprehensive, quality and effective vocational education, with management and funding that encourages excellence and efficiency. In addition, the Action Plan defines deadlines for implementation, indicators of results and performance, means for the implementation of activities, sources of financing and competent institutions for implementing individual activities for the year 2024. The VET Strategy aligns with the priorities of the EU's Copenhagen Declaration on VET and the skill needs of the economic sectors identified in the Montenegrin Smart Specialisation Strategy (2021-2024; see EC, 2021b).

The Centre for Vocational Education (VET Centre) is in charge of implementing the Strategy for Adult Education of Montenegro 2015-2025 and the related annual plans, and is an active member of EPALE. An important task of the VET Centre includes the accreditation of institutions. Courses will be mainly offered via the Public Employment Services. Montenegro's Entrepreneurial Lifelong Learning Strategy 2020-2024 is a follow-up to the 2015-2019 strategy.

In order to improve vocational education, a decision was prepared on the adoption of new curricula, adopted by the National Council for Education (modularised teaching of 17 publicly valid curricula), as

well as a decision on licensing secondary schools for the implementation of curricula that will be implemented for the first time in the 2023/24 school year. Ten new educational programmes, which are the final product for all IVET students, were developed in 2023. These were adopted by multi-stakeholder councils (Qualifications Council and National Council for Education), including employers' representatives, and offered to IVET students enrolled in 2023/24. The design of these programmes included all the preparatory steps defined by law: designing occupational standards and designing qualification standards (ETF, 2024a,b).

Digital and green skills are in the focus of VET reforms, with the Education System Digitalisation Strategy (2022-2027) and the Bureau of Education being involved in the Eco-School initiative as an overarching framework for green schools (ETF, 2024a).

VET governance and financing arrangements

The Ministry of Education, Science and Innovation (MESI) is responsible for overseeing all levels of education in Montenegro, including IVET and CVET, focusing on planning, implementing, and improving educational policies, with support from various institutions and professional bodies that also contribute to the governance and management of the Montenegrin VET system. The Centre for Vocational Education (VET Centre) plays a key role in developing vocational education and training, ensuring quality assurance in both vocational and adult education, and managing the creation of qualification standards, IVET and CVET programmes, advisory support, and research for young people and adults. The Bureau for Educational Services (BES) defines and ensures quality in pre-university education, while the Examination Centre conducts external assessments of knowledge at the end of secondary education and is also responsible for training external examiners for vocational qualification procedures. The National Education Council (NEC) provides advisory support on programmes, standards, and overall education quality at all pre-university levels, including IVET and CVET, with standing working bodies that include committees for general, vocational, and adult education. The Qualification Council (QC) works to improve the qualifications system, including their approval and classification within the National Qualifications Framework (NQF), and has established 15 sectorial commissions.

Governance and finance reforms remain important challenges and are part of the recommendation of the EC Annual Enlargement Package 2023. UNICEF (2022) and ETF (2023 & 2019) suggestions that players from the world of work, as well as regional and local players, be more systematically involved in Montenegro's VET governance and financing model remain valid (ETF, 2024b). This will need to be reflected in a costed Action and Monitoring Plan for implementing the Montenegrin Education Sector Strategy 2030, which has been delayed again in 2023.

The challenge remains that limited interventions in non-formal VET and adult learning are present, which are primarily financed through active labour market budgets (ETF, 2024b). This also applies to higher education, where funding also mainly comes from the State Budget.

Qualifications, validation and recognition

Developing qualifications that respond to the needs of the labour market continue to be on the reform agenda in view of the green and digital transition. The involvement of Sector Committees that are relevant for the Montenegrin economy saw continuous cooperation with social partners like the Chamber of Economy and Trade Unions (ETF, 2024a).

In the progress report of the National Implementation Plan for the Osnabrück Declaration, it is a reconfirmed priority, together with the validation and recognition of prior learning. Despite the fact that Montenegro has well-established procedures for validation and recognition of learning outcomes, the latter has received little attention.

Quality and quality assurance

Ensuring the quality of Montenegro's education system has been a long-standing priority for the government, due to several key challenges (ETF, 2023a). First, skills mismatch remains a persistent

issue, with students often lacking the qualifications required by the labour market. Second, both employers and students report that vocational and higher education qualifications often fail to meet the needs of industry, reflecting limited alignment with labour market demands. Third, the lack of practical learning and work experience in schools and universities is a major concern, as links between education institutions and businesses remain underdeveloped.

Efforts have been made to address these challenges through professional development for teachers, especially in vocational education and training (VET). A catalogue of professional development programmes is available for VET teachers, with a new version expected by the end of 2023. Over the past decade, significant training has been provided on learning outcomes, teaching methodologies, and key competencies. However, the digital skills of teachers still require improvement, a gap also highlighted by the 2022 UNICEF education review.

Montenegro is part of the European Quality Assurance in Vocational Education and Training (EQAVET) network and applies its quality assurance tools across secondary, vocational, and higher education. Quality assurance is managed by the Bureau for Education, the VET Centre, and the Agency for Control and Quality Assurance of Higher Education. In 2023, competence standards for external evaluators were submitted to the National Council, marking progress in the evaluation process. Additionally, in 2024, two sets of quality indicators were developed through a regional initiative, focusing on external evaluations of VET and work-based learning (WBL) in schools and companies. The decision on how these indicators will be incorporated into Montenegro's existing quality assurance framework is pending further action by the Ministry of Education and the VET Centre.

Work-based learning arrangements

Work-based learning (WBL) remains a priority for the Montenegrin Government, as highlighted in the 2023 European Commission progress report. Its significance is emphasised across both vocational education and training (VET) and higher education. In initial vocational education and training (IVET), all programmes include a practical component, though the balance between school-based learning and WBL varies across schools and depends on local conditions at both schools and employers (ETF, 2024b).

In the 2023/24 academic year, 463 students participated in dual programmes, up from 410 the previous year, with the majority enrolled in 3-year VET programmes (ETF, 2024b). Nearly all schools were authorised to hire practical training organisers, reflecting growing institutional support for WBL. However, the system faces challenges, particularly in the third year of dual training. While the Ministry of Education covers the costs of WBL in the first two years, the government funds the third year. This funding model has led to student and company dropouts during the third year, highlighting the need for better financial incentives and working conditions for students in order to maintain engagement.

Evaluations have consistently recommended improvements in payment and working conditions for WBL participants. Addressing these concerns would enhance retention rates and foster stronger partnerships between VET providers and businesses, thus ensuring a more effective and sustainable WBL system in Montenegro.

Digital and green education and skills

Digital skills remain a top priority for Montenegro, especially as part of the EU Digital Agenda for the Western Balkans and the country's broader EU integration efforts (EC, 2021b & 2018).

In 2023, 52% of people in Montenegro aged 16 to 74 had at least basic overall digital skills, which is closely aligned with the EU-27 average of 55% for the same age group.³ In Montenegro, the level of formal education significantly impacts individuals' digital skills. In 2023, 70% of highly educated individuals possessed basic digital skills, while only 27.3% of those with no or low formal education

³ See Eurostat

https://ec.europa.eu/eurostat/databrowser/view/isoc_sk_dskl_i21_custom_13111809/default/table?lang=en, accessed 02/10/2024.

had similar skills, revealing a gap of 42.7 percentage points. Comparatively, in the EU, 80% of highly educated individuals and 34% of those with low or no formal education had basic digital skills, creating a slightly larger gap of 46 percentage points.

Since joining the Regional Cooperation Council's working group on digital skills strategies in 2020, Montenegro has actively contributed to shaping regional policies, including during the 2023 Western Balkans Digital Summit in Sarajevo, where the development of digital skills took centre stage (RCC, 2023).

Access to digital education is being strengthened through several initiatives. One key project is the Guide to Improving Quality and Inclusivity of Education in the Digital Environment, developed by the Bureau for Educational Services in cooperation with UNICEF. This guide is designed to equip teachers with a range of teaching strategies that encourage students to discover their own learning styles in a digital environment. It places special emphasis on inclusive education, ensuring that children from vulnerable groups have equal access to quality education through digital means. Teacher training programmes based on this guide aim to build digital competencies, enabling educators to integrate technology into their teaching practices effectively.

In terms of infrastructure, the Government is actively working to modernise the country's educational system. The Digital Classroom project, funded by the European Investment Bank, aims to provide digital content for primary education and upgrade school infrastructure. The first delivery of new digital equipment is expected in 2024, which will greatly enhance the capacity of schools to deliver digital education. Additionally, Montenegro participated in the EU SELFIE pilot for work-based learning in 2020, and a school assessment series was conducted in 2021 to further support digitalisation efforts in both school and vocational settings.

These projects are part of Montenegro's broader strategy to improve digital skills, particularly for teachers, while addressing the digital divide and ensuring that all students, regardless of background, have access to high-quality, technology-driven education.

Integration of the green transition and sustainability into VET curricula and programmes

In 2023, Montenegro developed and offered to VET students new curricula in the field of green transition (ETF, 2024b). This included: 1. Renewable energy system installer, level III (based on occupational standards and qualification standards). 2. Installer of solar photovoltaic power plants. 3. Installer of electric power equipment in wind farms. 4. Installer of electric power equipment in small hydroelectric power plants, Assistant installer of renewable electric energy source systems (ETF, 2024b). The design of these curricula started in 2022 on the initiative of employers from the energy sector. Elektroprivreda Crne Gore, a state-owned company producing and distributing energy, and educational authorities participated in discussions on the qualifications in demand in this sector. At the institutional level, comprehensive cooperation was established between major companies in the energy sector and the education sector, which resulted in the creation of occupational and qualification standards and the development of full qualifications which can be offered to IVET and CVET students.

Statistics on education and training

As a candidate country, Montenegro regularly provides education and training data to the European Commission (EC) through its Statistical Office, MONSTAT. However, due to a significant cyberattack in 2022, data reporting was temporarily disrupted. By 2024, the situation had improved with the support of the Ministry of Education's Education Management Information System (EMIS), which played a crucial role in restoring the flow of reliable statistics. This system is vital for monitoring and guiding education policies and reform efforts.

Further development includes the implementation of an ILO (2022) recommendation to establish a graduate tracking system, which is expected to provide essential evidence to inform policymakers about employment outcomes and necessary adjustments in education. Additionally, the European Training Foundation (ETF), in collaboration with MONSTAT, continues to offer key data on education, skills, and employment. This partnership supports monitoring mechanisms like the Torino Process,

which integrates both qualitative and quantitative indicators to highlight gaps in education and the labour market, aiding reform efforts (ETF, 2023a).

3. LABOUR MARKET AND EMPLOYMENT

3.1 Trends and challenges

Labour market characteristics

In Montenegro, vulnerable groups—specifically women, youth, and individuals with low skill levels—are disproportionately at risk of unemployment or inactivity. Long-term unemployment continues to pose a persistent structural challenge. Nevertheless, labour market indicators for 2023 show modest yet noteworthy improvements, reflecting gradual recovery in several key areas.

The activity rate (15+) rose significantly in 2023 to 58.9%, compared to 50.9% in 2022. Similarly, the employment rate increased from 50.3% in 2022 to 55.6% in 2023. These positive shifts are attributed to rising private consumption, a strong tourist season, and investment to a lesser extent. However, a gender gap remains evident and persistent over the years, with men continuing to have higher activity (13 percentage point gap in 2015 and 2023) and employment rates (10 pp gap in 2015, 12 pp gap in 2023).

Unemployment dropped to 13.1% in 2023, a notable improvement from 17.9% in 2020. Despite this, long-term unemployment remains a critical issue, with 69.4% of the unemployed being out of work for 12 months or longer. The situation for women worsened, as their unemployment rate rose from 12.8% in 2022 to 14% in 2023. This increase could be linked to their lower activity rate (57.7%) compared to men (70.4%). Also, after two years of gender unemployment gap in favour of women, the situation reversed in 2023.

The labour market for young people (15-24) saw some progress in 2023, though challenges persist. Youth employment fell from 29.4% in 2022 to 23.2% in 2023. However, the reduction in total youth unemployment was due to a decrease in youth unemployment among men from 34.1% in 2022 to 20.0% in 2023. In contrast, the female youth unemployment rate increased from 23.3% to 27.7% over the same period. A significant number of young people, particularly those with upper secondary and higher education, struggle to transition into employment due to skills mismatches. Many young people move from VET to higher education, often in fields less relevant to the labour market, contributing to further discrepancies.

The skills mismatch remains a serious issue affecting youth and adult workers. The 2022 SME Policy Index (OECD, 2022b) and the 2023 ETF (2021b) analysis emphasised that the skills gap, particularly in the agri-food sector, is a critical factor hampering economic progress. The vertical mismatch is particularly pronounced among workers with tertiary education, with 15% of them employed in positions that do not require their level of qualifications. By contrast, only 8% of those with medium-level educational attainment experience such mismatches.

Tertiary educational attainment stood at 24.9% of the population in 2023. Still, the labour market suffers from an oversupply of business studies and humanities graduates, while there is a shortage of STEM and medical professionals (see MONSTAT)⁴. Geographical disparities also persist, with the northern region of Montenegro facing higher rates of poverty and social exclusion. Roma and individuals with disabilities continue to encounter significant challenges in integrating into the labour market, despite ongoing government support through specialised employment and education programmes.

Statistics on the labour market and employment

Montenegro is developing a comprehensive labour market information system to enhance the availability and quality of labour market data. Discussions are also underway with the Employment Agency of Montenegro (EAM) to integrate the country into the European Employment Services

⁴ See <https://www.monstat.org/uploads/files/publikacije/godisnjak%202023/21.pdf>, accessed 08/11/2024.

(EURES) network, which would facilitate greater mobility and employment opportunities across the EU. The Statistical Office of Montenegro (MONSTAT) continues to provide labour force data in alignment with Eurostat methodologies, ensuring consistency with European standards.

3.2 Employment policy and institutional settings

Strategy and legal framework in the employment policy field

The strategic framework guiding labour market reform in Montenegro is anchored in the National Employment Strategy for 2021-2024 and its associated Action Plans. These documents outline key priorities aimed at addressing regional disparities within the labour market, with particular attention to improving employment outcomes in disadvantaged areas.

On the legislative side, Montenegro has introduced policies to stimulate innovation and entrepreneurship, focusing on promoting start-ups and enhancing women's participation in entrepreneurial activities. Notably, the Law on Encouraging Research provides exemptions for start-ups from mandatory social contributions to foster employment growth and innovation.

Initiatives to boost employment

Montenegro has implemented various Active Labour Market Policies (ALMPs) to improve employment opportunities for jobseekers. The most prominent measures include subsidised employment schemes, which have been the mainstay of the ALMPs due to ongoing challenges related to funding and limited private sector involvement. In 2023, the government allocated EUR 4 million (4% of the total budget) for these measures, reflecting a slight increase in financial resources compared to previous years⁵.

Despite these efforts, there remains a need for enhanced monitoring and evaluation of the effectiveness of ALMPs. Currently, there is a lack of comprehensive data on the long-term employment outcomes of beneficiaries, which hinders the ability to tailor policies effectively to meet the needs of the labour market. The absence of digitised feedback mechanisms also poses challenges for timely policy adjustments and the provision of quality training offers for unemployed individuals.

Montenegro has committed to implementing the Youth Guarantee scheme, with a revised action plan submitted in May 2023. The pilot phase is set to commence by the end of 2024 in three municipalities. To facilitate this initiative, the government has undertaken a critical review and revision of its professional training programme for higher education, aimed at easing the transition of graduates into the labour market through practical experience.

In terms of participation in ALMPs, the Employment Agency of Montenegro (EAM) has reported significant engagement in its services. In 2023, the agency reached 40 100 individuals out of a total of 48 428 registered unemployed persons or jobseekers, indicating a decrease from 48 500 in 2022. The expenditure on active employment policy measures also increased from EUR 2.1 million in 2022 to EUR 2.9 million in 2023.

The EAM conducted approximately 384 000 individual consultations in 2023 as part of the implementation of the Individual Employment Plan, although this figure represents a decrease from around 431 000 consultations in 2019. Each unemployed individual typically benefits from multiple consultations, scheduled at least once every 45 days. Employment mediation services have also gained traction, assisting nearly 30 000 jobseekers in 2023, a substantial rise from approximately 4 000 in 2022. Furthermore, career orientation services were provided to 5 210 unemployed individuals in 2023, though this figure reflects a decline from 7 567 in 2022.

Despite the overall engagement in ALMPs, the direct participation of jobseekers in training and other active measures remains modest, with only 6 708 individuals involved in these initiatives in 2023. Training programmes attracted the largest share of participants, with 555 individuals benefiting, the majority of whom were women with medium educational attainment. Public works initiatives saw

⁵ Data received by ETF from the Ministry of Labour and Social Welfare for 2023.

participation from 542 individuals, predominantly women over 29 years of age with medium education levels. Employment incentives were accessed by 275 individuals in 2023, marking a significant increase from just 66 in 2021; this measure was particularly popular among those under 29 years old and those with higher educational qualifications. However, participation in initiatives such as 'Activating Women' has decreased.

Notably, in 2023, 34.4% of registered unemployed individuals transitioned to employment, amounting to 16 560 people, with a balanced gender representation. This transition rate is especially pronounced among youth. The highest employment transition rates were observed among individuals with secondary education, while those with low educational attainment experienced modest transition rates of only 12.1%.

In terms of labour demand, the total number of job vacancies reported in 2023 was approximately 29 500, marking a consistent increase since 2020. The sectors with the highest demand for labour included education, accommodation and food services, and wholesale and retail trade. In contrast, the lowest demand was noted in activities related to extraterritorial organisations, household employment, and mining.

The data further reveals that the most significant demand is for elementary occupations (18 000 vacancies), followed by positions in expert and artistic roles (6 700 vacancies) and services and trade occupations (1 700 vacancies). Conversely, categories such as agriculture, forestry, fishing, and plant and machine operations reflected limited job openings. This disparity highlights the ongoing challenge of unattractive employment opportunities, primarily in low-skill positions with inadequate remuneration, which adversely affects overall activity and employment levels as well as the school-to-work transition for young people.

Initiatives to increase the capacity of the public employment services

The Employment Agency of Montenegro (EAM) is the primary institution responsible for implementing employment policy in the country. However, in 2022, the EAM faced significant constraints and challenges related to staffing, budgeting, and infrastructure, which hindered its effectiveness in addressing the needs of jobseekers and the labour market.

To enhance the capacity and efficiency of the EAM, the agency has engaged in several initiatives. Notably, the IPA (Instrument for Pre-accession Assistance) twinning arrangement, which commenced in 2023, focuses on modernising the EAM through digitalisation. This initiative aims to improve the agency's operational efficiency and the quality of evidence-based decision-making by facilitating better data collection, analysis, and reporting.

Additionally, another IPA support programme launched in 2023 is designed to prepare Montenegro for the implementation of the European Social Fund (ESF). This funding mechanism will provide vital resources to bolster employment services and create targeted programmes that align with the broader objectives of the EU's employment policies.

These initiatives represent a strategic effort to enhance the capabilities of public employment services in Montenegro, enabling them to respond more effectively to the challenges of the labour market and better serve the needs of jobseekers.

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STATISTICAL ANNEX – MONTENEGRO

The Annex includes annual data from 2015, 2019, 2020, 2021, 2022 and 2023 or the last available year.

	Indicator	2015	2019	2020	2021	2022	2023
1	Total population (in thousands) ⁽¹⁾	622.2	622.0	621.3	619.2	617.2	616.2
2	Relative size of youth population (age group 15-24 and denominator age 15-64, %) ^{(1) c}	20.1	19.5	19.2	19.0	18.9	18.9
3	GDP growth rate (%)	3.4	4.1	-15.3	13.0	6.4	6.0
4	Gross value added by sector (%)	Agriculture	8.1	6.4	7.6	6.5	5.6
		Industry	14.4	16.1	17.3	14.8	11.9
		Services	60.3	58.7	58.0	59.9	62.4
5	Public expenditure on education (as % of GDP)	M.D.	M.D.	M.D.	M.D.	M.D.	M.D.
6	Public expenditure on education (as % of total public expenditure)	M.D.	M.D.	M.D.	M.D.	M.D.	M.D.
7	Adult literacy (%)	M.D.	M.D.	M.D.	99.0	M.D.	M.D.
8	Educational attainment of total population (aged 15+) (%) ⁽⁵⁾	Low ⁽²⁾	22.0	19.1	19.3	20.4	17.6
		Medium ⁽³⁾	58.4	59.5	59.3	58.3	57.5
		High ⁽⁴⁾	19.7	21.4	21.3	21.3	24.9
9	Early leavers from education and training (aged 18-24) (%) ⁽⁶⁾	Total	5.7	5.0	3.6	6.7	5.2
		Male	4.9	5.2	3.6	5.4	2.7
		Female	6.6	4.9	3.7	8.7	9.3
10	Total NET enrolment rate (%)	Lower secondary	94.6	96.9	97.6	97.9	97.9
		Upper secondary	M.D.	87.5	87.8	88.5	86.6
11	Share of VET students in upper secondary education (ISCED level 3) (%)	67.2	68.2	68.9	69.3	68.8	M.D.
12	Low achievement in reading, mathematics and science – PISA 2022 (%) ⁽⁷⁾	Reading	41.9	44.4	N.A.	N.A.	52.9
		Mathematics	51.9	46.2	N.A.	N.A.	59.5
		Science	51.0	48.2	N.A.	N.A.	54.9
13	Activity rate (aged 15+) (%)	Total	53.7	57.4	53.3	50.9	58.9
		Male	60.1	65.2	60.6	57.7	66.0
		Female	47.6	49.9	46.4	44.4	52.1
14	Inactivity rate (aged 15+) (%) ^c	Total	46.3	42.6	46.6	49.1	41.1
		Male	39.9	34.7	39.4	42.3	34.0
		Female	52.4	50.1	53.6	55.6	47.9
15	Employment rate (aged 15+) (%) ⁽⁶⁾	Total	44.3	48.7	43.8	42.4	50.3
		Male	49.4	55.7	50.0	47.8	55.3
		Female	39.4	42.1	37.9	37.3	45.4
16	Employment rate by educational attainment (aged 15+) (%) ⁽⁶⁾	Low ⁽²⁾	17.1	21.2	16.5	13.3	16.2
		Medium ⁽³⁾	49.8	53.9	48.1	44.0	52.1
		High ⁽⁴⁾	73.5	73.4	69.7	66.6	73.3
17	Employment by sector (%) ^{c (8)}	Agriculture	7.7	7.1	7.5	6.4	4.3
		Industry	17.5	19.4	18.4	16.9	19.0
		Services	73.9	73.1	73.5	76.7	76.7
18	Incidence of self-employment (%) ^c	20.9	20.6	21.5	19.0	18.8	18.0
19	Incidence of vulnerable employment (%) ^c	11.9	13.3	13.8	12.7	12.6	11.0
20	Unemployment rate (aged 15+) (%)	Total	17.5	15.1	17.9	16.6	14.7
		Male	17.7	14.7	17.5	17.1	16.2
		Female	17.3	15.7	18.4	15.9	12.8
21		Low ⁽²⁾	28.3	26.0	33.6	28.0	20.2

	Indicator		2015	2019	2020	2021	2022	2023
	Unemployment rate by educational attainment (aged 15+) (%)	Medium ⁽³⁾	19.3	15.4	18.1	17.4	16.0	15.1
		High ⁽⁴⁾	10.3	11.3	13.2	12.3	11.1	8.2
22	Unemployment rate (aged 15-24) (%)	Total	37.6	25.2	36.0	37.1	29.4	23.3
		Male	39.9	25.8	33.6	40.0	34.1	20.0
		Female	34.5	24.3	39.7	32.7	22.3	27.7
23	Proportion of people aged 15-24 not in employment, education or training (NEETs) (%)	Total	19.1	17.3	21.1	20.2	20.0	17.3
		Male	19.9	18.8	21.5	24.2	21.6	17.0
		Female	18.3	15.8	20.6	15.9	18.2	17.6
	Proportion of people aged 15-29 not in employment, education or training (NEETs) (%)	Total	23.4	21.3	26.6	26.5	23.2	20.3
		Male	22.8	21.0	26.2	28.3	24.6	19.8
		Female	24.1	21.5	26.9	24.6	21.7	20.8
24	Participation in training/lifelong learning (% aged 25-64)	Total	M.D.	M.D.	M.D.	M.D.	4.6	M.D.
		Male	M.D.	M.D.	M.D.	M.D.	4.2	M.D.
		Female	M.D.	M.D.	M.D.	M.D.	5.1	M.D.
25	Human Development Index		0.827	0.841	0.832	0.840	0.844	M.D.

Last update: 20/08/2024

Sources:

Indicators 1, 2, 3, 4, 5, 6, 7: World Bank, World Development Indicators database

Indicators 10, 11: UNESCO, Institute for Statistics

Indicators 8, 9, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24: Eurostat

Indicator 12: OECD PISA 2018 Results (Volume I) Annex B1; OECD PISA 2022 Results (Volume I)

Indicator 25: UNDP

Notes:

(1) Estimation.

(2) Low – ISCED 0-2.

(3) Medium – ISCED 3-4.

(4) High – ISCED 5-8.

(5) refers to age group 15-89.

(6) 2021 from additional indicators table.

(7) PISA: 2019 refers to 2018.

(8) Totals do not add to 100 due to economic activities not allocated by sector; Services (TOTAL and FEMALE) do not include 'Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use' and 'Activities of extraterritorial organisations and bodies'; Services (MALE) do not include 'Real estate'; FEMALE -industry & construction includes only 'construction' and 'Manufacturing' activities and 'Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use' and 'Activities of extraterritorial organisations and bodies'.

Legend:

C = ETF calculations.

N.A. = Not Applicable.

M.D. = Missing Data.

ANNEX: DEFINITIONS OF INDICATORS

	Description	Definition
1	Total population (in thousands)	The total population is estimated as the number of people having their usual residence in a country on 1 January of the respective year. When information on the usually resident population is not available, countries may report legal or registered residents.
2	Relative size of youth population (age group 15–24) (%)	This is the ratio of the youth population (aged 15–24) to the working-age population, usually aged 15–64 (or 15–74 or 15+).
3	GDP growth rate (%)	Annual percentage growth rate of GDP at market prices based on constant local currency. Aggregates are based on constant 2010 U.S. dollars. GDP is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources.
4	Gross value added by sector (%)	The share of value added from Agriculture, Industry and Services. Agriculture corresponds to ISIC divisions 1–5 and includes forestry, hunting, and fishing, as well as cultivation of crops and livestock production. Value added is the net output of a sector after adding up all outputs and subtracting intermediate inputs. It is calculated without making deductions for depreciation of fabricated assets or depletion and degradation of natural resources. The origin of value added is determined by the International Standard Industrial Classification (ISIC), revision 3 or 4. Industry corresponds to the International Standard Industrial Classification (ISIC) tabulation categories C–F (revision 3) or tabulation categories B–F (revision 4), and includes mining and quarrying (including oil production), manufacturing, construction, and public utilities (electricity, gas, and water). Services correspond to ISIC divisions 50–99 and they include value added in wholesale and retail trade (including hotels and restaurants), transport, and government, financial, professional, and personal services such as education, health care, and real estate services. Also included are imputed bank service charges, import duties, and any statistical discrepancies noted by national compilers as well as discrepancies arising from rescaling.
5	Public expenditure on education (as % of GDP)	Public expenditure on education expressed as a percentage of GDP. Generally, the public sector funds education either by directly bearing the current and capital expenses of educational institutions, or by supporting students and their families with scholarships and public loans as well as by transferring public subsidies for educational activities to private firms or non-profit organisations (transfer to private households and enterprises). Both types of transactions together are reported as total public expenditure on education.
6	Public expenditure on education (as % of total public expenditure)	Public expenditure on education expressed as a percentage of total public expenditure. Generally, the public sector funds education either by directly bearing the current and capital expenses of educational institutions, or by supporting students and their families with scholarships and public loans as well as by transferring public subsidies for educational activities to private firms or non-profit organisations (transfer to private households and enterprises). Both types of transactions together are reported as total public expenditure on education.
7	Adult literacy (%)	Adult literacy is the percentage of the population aged 15 years and over who can both read and write a short simple statement on his/her everyday life, and understand it. Generally, 'literacy' also encompasses 'numeracy' – the ability to make simple arithmetic calculations.

	Description	Definition
8	Educational attainment of total population (aged 15+) (%)	Educational attainment refers to the highest educational level achieved by individuals expressed as a percentage of all persons in that age group. This is usually measured in terms of the highest educational programme successfully completed, which is typically certified by a recognised qualification. Recognised intermediate qualifications are classified at a lower level than the programme itself.
9	Early leavers from education and training (aged 18-24) (%)	Early leavers from education and training are defined as the percentage of the population aged 18–24 with at most lower secondary education who were not in further education or training during the four weeks preceding the survey. Lower secondary education refers to ISCED 1997 levels 0–2 and 3C short (i.e. programmes lasting under two years) for data up to 2013 and to ISCED 2011 levels 0–2 for data from 2014 onwards.
10	Total NET enrolment rate	Total number of students of the official age group for a given level of education who are enrolled in any level of education, expressed as a percentage of the corresponding population.
11	Share of VET students in upper secondary education (ISCED level 3) (%)	Total number of students enrolled in vocational programmes at a given level of education (in this case, upper secondary), expressed as a percentage of the total number of students enrolled in all programmes (vocational and general) at that level.
12	Low achievement in reading, maths and science – PISA (%)	Low achievers are the 15-year-olds who are failing to reach level 2 on the PISA scale for reading, mathematics and science.
13	Activity rate (aged 15+) (%)	The activity rate is calculated by dividing the active population by the population of the same age group. The active population (also called ‘labour force’) is defined as the sum of employed and unemployed people. The inactive population consists of all people who are classified as neither employed nor unemployed.
14	Inactivity rate (aged 15+) (%)	The inactivity/out of the labour force rate is calculated by dividing the inactive population by the population of the same age group. The inactive population consists of all people who are classified as neither employed nor unemployed.
15	Employment rate (aged 15+) (%)	The employment rate is calculated by dividing the number of employed people by the population of the same age group. Employed people are all people who worked at least one hour for pay or profit during the reference period or were temporarily absent from such work. If a different age group is used, this should be indicated.
16	Employment rate by educational attainment (aged 15+) (%)	The employment rate is calculated by dividing the number of employed persons by the population of the same age group. Employed persons are all persons who worked at least one hour for pay or profit during the reference period or were temporarily absent from such work. If a different age group is used, this should be indicated. Educational levels refer to the highest educational level successfully completed. Three levels are considered: Low (ISCED level 0–2), Medium (ISCED level 3–4) and High (ISCED 1997 level 5–6, and ISCED 2011 level 5–8).
17	Employment by sector (%)	This indicator provides information on the relative importance of different economic activities with regard to employment. Data are presented by broad branches of economic activity (i.e. Agriculture/Industry/Services) based on the International Standard Industrial Classification of All Economic Activities (ISIC). In Europe, the NACE classification is consistent with ISIC.
18	Incidence of self-employment (%)	The incidence of self-employment is expressed by the self-employed (i.e. employers + own-account workers + contributing family workers) as a proportion of the total employed.

	Description	Definition
19	Incidence of vulnerable employment (%)	The incidence of vulnerable employment is expressed by the own-account workers and contributing family workers as a proportion of the total employed.
20	Unemployment rate (aged 15+) (%)	The unemployment rate represents unemployed people as a percentage of the labour force. The labour force is the total number of people who are employed or unemployed. Unemployed people comprise those aged 15–64 or 15+ who were without work during the reference week; are currently available for work (were available for paid employment or self-employment before the end of the two weeks following the reference week); are actively seeking work, i.e. had taken specific steps in the four-week period ending with the reference week to seek paid employment or self-employment, or had found a job to start later (within a period of, at most, three months).
21	Unemployment rate by educational attainment (aged 15+) (%)	The unemployment rate represents unemployed people as a percentage of the labour force. The labour force is the total number of people who are employed or unemployed. Unemployed people comprise those aged 15–64 or 15+ who were without work during the reference week; are currently available for work (were available for paid employment or self-employment before the end of the two weeks following the reference week); are actively seeking work (had taken specific steps in the four-week period ending with the reference week to seek paid employment or self-employment, or had found a job to start later (within a period of, at most, three months)). Educational levels refer to the highest educational level successfully completed. Three levels are considered: low (ISCED level 0–2), medium (ISCED level 3–4) and high (ISCED 1997 level 5–6, and ISCED 2011 level 5–8).
22	Unemployment rate (aged 15-24) (%)	The unemployment rate represents unemployed people as a percentage of the labour force. The labour force is the total number of people who are employed or unemployed. Unemployed people comprise those aged 15–24 who were without work during the reference week; are currently available for work (were available for paid employment or self-employment before the end of the two weeks following the reference week); are actively seeking work, i.e. had taken specific steps in the four-week period ending with the reference week to seek paid employment or self-employment, or had found a job to start later (within a period of, at most, three months).
23	Proportion of people aged 15–24/15-29 not in employment, education or training (NEETs) (%)	The indicator provides information on young people aged 15–24 who meet the following two conditions: first, they are not employed (i.e. unemployed or inactive according to the ILO definition); and second, they have not received any education or training in the four weeks preceding the survey. Data are expressed as a percentage of the total population of the same age group and gender, excluding the respondents who have not answered the question on participation in education and training.
24	Participation in training/lifelong learning (% aged 25-64)	Participants in lifelong learning refers to persons aged 25–64 who stated that they received education or training in the 12 months preceding the survey (numerator). The denominator is the total population of the same age group, excluding those who did not answer the question on participation in education and training. The information collected relates to all education or training, whether or not it is relevant to the respondent's current or possible future job. If a different reference period is used, this should be indicated.
25	Human Development Index	The index is a summary measure of average achievement in key dimensions of human development: a long and healthy life, being knowledgeable and have a decent standard of living.

KEY DONOR PROJECTS IN EDUCATION, TRAINING AND EMPLOYMENT

Donor support to education and VET for young people and adults

The European Union (EU) continues to be the principal donor to Montenegro, playing a critical role in funding various initiatives aimed at enhancing the country's education and employment landscape. In 2023, significant developments included the establishment of a twinning agreement for the Employment Agency of Montenegro, focusing on the development of active labour market measures, including the operationalisation of the Youth Guarantee Programme. This initiative is expected to provide targeted support to young jobseekers and facilitate their integration into the labour market.

The IPA II education and labour market component of the Multi-annual Action Programme for Montenegro on Employment, Education and Social policies (SOPES) from 2015-2017 concluded in 2022. Currently, support under IPA III is in progress, with a strong emphasis on energy-related initiatives set for completion in 2023 and 2024. Additionally, the education sector review, conducted with the assistance of UNICEF and approved in 2023, is anticipated to inform the programming of the IPA III education strategy for 2024-2025.

Another key tool for supporting education and vocational education and training (VET) in Montenegro is the ERASMUS Plus programme, of which Montenegro is an associated country. This programme aims to enhance educational opportunities and facilitate mobility for young people across Europe.

The German KfW Bank, through its Western Balkans Challenge Fund for VET, actively engages in infrastructure and skills development within the region. Montenegro is a vital participant in this initiative, with the Chamber of the Economy serving as the lead partner, thereby fostering collaboration between companies and training providers.

In addition to EU support, several bilateral donors contribute to Montenegro's development in the education and labour market sectors. Notable among them are the Austrian Development Agency, which collaborates through the Austrian Agency for International Cooperation in Education and Research (OEAD) on regional dual education projects, as well as Norway.

Furthermore, international organisations such as the International Labour Organization (ILO) and the United Nations Development Programme (UNDP) are actively working alongside Montenegrin government institutions, utilising both their own resources and EU funds to enhance labour market developments. The World Bank has also recently become involved in these initiatives, further supporting Montenegro's efforts to strengthen its employment policies and programmes.

ABBREVIATIONS

ALMPs	Active labour market policies
BES	Bureau for Educational Services
CVET	Continuing Vocational Education and Training
EAM	Employment Agency of Montenegro
EBRD	European Bank for Reconstruction and Development
EC	European Commission
EIB	European Investment Bank
EMIS	Education Management Information System
EPALE	Electronic Platform for Adult Learning in Europe
EQAVET	European Quality Assurance in Vocational Education and Training
ERI SEE	Education Reform Initiative of South Eastern Europe
ESL	Early school-leavers
ETF	European Training Foundation
EU	European Union
EURES	European employment services
GDP	Gross Domestic Product
ILO	International Labour Organization
IMF	International Monetary Fund
IPA	Instrument for Pre-accession Assistance
ISCED	International Standard Classification of Education
ISCO	International Standard Classification of Occupations
IVET	Initial Vocational Education and Training
JRC	Joint Research Centre

MESI	Ministry of Education, Science and Innovation
MoE	Ministry of Education
MoLSW	Ministry of Labour and Social Welfare
MONSTAT	Statistical Office of Montenegro
NEC	National Education Council
NEET	Not in employment, education or training
NQF	National Qualifications Framework
OEAD	Austrian Agency for International Cooperation in Education and Research
OECD	Organisation for Economic Co-operation and Development
PIRLS	Progress in International Reading Literacy Study
PISA	Programme for International Student Assessment
QC	Qualification Council
RCC	Regional Cooperation Council
SILC	Survey on Income and Living Conditions
SME	Small and medium-sized enterprise
SOPES	Multi-annual Action Programme for Montenegro on Employment, Education and Social policies
STEM	Science, technology, engineering and mathematics
TIMSS	Trends in International Mathematics and Science Study
UNDP	United Nations Development Programme
UNICEF	United Nations International Children's Emergency Fund
VET	Vocational education and training
WBL	Work-Based Learning
YG	Youth Guarantee scheme

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