

The Montenegro Entrepreneurial Community in Budva illustrates the power of a single individual with a vision to spark a chain reaction. A virtuous cycle of visionary leadership and innovation has shaped the perception, not just of the professions in the hospitality industry, but of the industry as a whole.

The economic transition in Montenegro that started over 15 years ago has resulted in increased levels of unemployment, as many state-owned enterprises ceased to exist. Many of the **previously required skills and competences suddenly became obsolete and, as a result, unemployment soared**. The economic slowdown that followed as the national economy changed gears also **opened up new opportunities**. New forms of business and industries started to take shape, adding to the economic growth momentum that follows restructuring. One such industry is hospitality, which has since overhauled local employment prospects in Budva.

The transition phase provided the background to the Entrepreneurial Community in the small seaside town of Budva. **A visionary leader**, an award winning Chef with an intuition for the region's tourism potential, saw an opening to start building the foundation for the yet-to-surface tourism industry. In seeking a skilled labour force, he saw the potential in workers who were unemployed or who needed to re-enter the labour force. In order to meet the specific needs of adult learners, he set out to establish an adult learning centre that **combined work-based learning with traditional vocational training** on the ground floor of his own home. The Entrepreneurial Community that started there nearly two decades ago was underpinned when he convinced the National Bureau of Employment to join forces with him. The partnership has since grown to include the Budva Municipality and the Sector Council for the Tourism Industry. Their goal is to **change the appreciation of the professions within the tourism industry as a whole, and overhaul local employment opportunities – not just for young graduates, but also for adults – through skills**.

The Hotel Education Centre, **established with funding secured by the National Bureau of Employment** in 1998, grew from modest beginnings. Today the Centre trains adult learners for all professions required by the hospitality industry through a method that combines theoretical and practical learning. Students at the Centre are independent applicants, directed by the industry, or sent by the National Bureau of Employment as a part of

PARTNERS:

- HOTEL EDUCATION CENTRE
- NATIONAL BUREAU OF EMPLOYMENT
- MONTENEGRO TOURISM ASSOCIATION
- BUDVA MUNICIPALITY
- LOCAL HOTELS INCLUDING HOTEL SPLENDID CONFERENCE & SPA RESORT

a package of active labour market policies. The results of the Entrepreneurial Community are staggering; following a six-month training and an apprenticeship, over 80% of students secure employment and 15% start a business.

The municipality of Budva is no longer an aspiring tourist resort, but a **high-end tourism destination in full expansion**. The number of tourists visiting Budva each summer is nearing one million, and the numbers continue to climb. **New hotels are opening at a rapid rate and are competing for competent human resources** from within and outside of Montenegro. Businesses are **investing significant resources in training and attracting qualified personnel** and the Hotel Education Centre, with its limited capacity, has become the point of reference for businesses of all sizes. In addition to private investment in training, in 2015, for the first time in Montenegro, **a local municipality has allocated a budget for adult learning**.

The Budva Entrepreneurial Community showcases how a network of partners, connected to the National Bureau of Employment, has maximised and utilised the opportunities for local economic growth. By applying a human capital centred approach, the employment prospects in Budva have been transformed. The wealth of knowledge generated through the partnership of nearly two decades has made an important contribution to **shaping the adult education system and policies, as well as the professions in the hospitality industry and the industry as a whole, into what they are today**.

920 lives changed, and counting: Building Budva's skill base

Vuksan Vuko Mitrovic is a chef with a worldwide reputation for culinary artistry, but for the last two decades he has also been pursuing his passion for sharing his experience, skills, and knowledge with young people. His concern is not only to pass on his skills, but also to raise the profile of career paths within the tourism and hospitality industry.

Mitrovic started working in the kitchen as a child, and became a chef in the luxury hotel Sveti Stefan by the age of 23. His career quickly progressed as he moved through the hotel's professional development programme. In his early thirties Mitrovic was part of the culinary competition team of the former Yugoslavia, and was one of four in the team who were granted special privileges by the then communist regime to travel all over the world, competing in different countries and at different levels. Winning gold and silver medals at the World Skills competition, known as the 'skills Olympics', in the 1980s was a career highlight. And in 2000, just before Montenegro became fully independent, Mitrovic led the Montenegrin Chefs Society into the World Association of Chefs Societies (WACS), and many of his protégés have continued the

tradition of international competition.

But this was not the sum of his ambition. "By the time I was 45 I'd won a lot of medals," Mitrovic recalls, "and I had a lot of success and a lot of esteem in my career. That was the moment when I decided to share my knowledge with young people, to develop their skills, and create for them the opportunities I'd had to travel all over the world, to show their knowledge in competitions, and to make themselves as successful as possible."

A family affair

Perhaps it's no surprise that Mitrovic passed his passion for this combination of excellence in hospitality and in training to his daughter, Anita Mitrovic Milic, who is now Executive Manager of the Hotel Education Centre (HEC), the hotel-cum-vocational school project that her father established in 1999. "It was a different time in Montenegro," says Milic, "it was a difficult time. But we felt that in hospitality and tourism we had really popular occupations. My father brought the idea of adult education into the picture."

In a time where there was no adult education law, the partnership with the Hotel Education Centre provided us with useful experience and a good reference model that we used when drafting a national law

Speaking vividly about her father's popularity and how he hosted a lot of famous people – entertainment stars, politicians, and presidents – she describes the “big love” that he has for his profession, and how he wanted to continue the tradition through education. At around the same time the national Bureau of Employment was established in Montenegro, as the approach of independence focused thinking at national level on the future of employment in the country. Investment was being encouraged in strategically important projects, so Mitrovic participated in informal talks aimed at exploring ways to start an adult education programme providing skills for the hospitality and tourism sector.

Her father agreed to take on the role of educator, in order to share his love for his profession. The Bureau of Employment saw that unemployed people who, for whatever reason, hadn't finished formal education might nevertheless want to change profession and start working in tourism. With funding available from the state, everything was in place to create a new training establishment. So the Mitrovic family set up the project in their own home, which already had some holiday accommodation and a small restaurant – “because we were in tourism for all our lives,” as Anita Mitrovic Milic puts it – and took a government loan to develop the property further by adding classrooms and workshops. They launched the first programme in 2000.

At that point there was no law governing such provision, and no recognised standards, so the project started with a three-month training programme that was written by Vuksan Mitrovic and colleagues from the hospitality industry. The school's offering in the first year was just this three-month programme, but by the next year they had added internships and work placements. “We saw that the students needed three months workplace experience – hotel or restaurant, it doesn't matter – in addition to the three months of training. And that was the beginning,” says Mitrovic, adding that in the intervening 15 years, 920 students have completed the programme.

Partners from the start

Vukica Jelic, Director of Employment Services at the Montenegro Ministry of Labour, recalls the strength of the partnership between the Mitrovic family project and central government being a feature right from the beginning. “We started the partnership in 2001 and this is a partnership which has been developing for the last 15 years.”

Jelic sees this as a very good model, because it has enabled government to participate in providing unemployed people with the skills, qualifications, and competencies that enable them to find employment relatively quickly. It's a model that serves as an example for many other municipalities beyond Budva too. “It has



Small and medium sized businesses don't have power to be in government meetings. This is why it is better to have that catch point between the market and the real sector at the local level

Zlatibor Milic, President, Montenegro Tourism Association

proved successful because it enabled people to gain qualifications and find employment, and to help the needs of the economy.”

The training programme now offered by HEC includes a range of vocational education programmes for chefs, waiters, chambermaids, receptionists, and pastry cooks, and bakery and butchery programmes. They continue to offer the six-month programme established in 2000 that involves three months learning and three months of work experience. There is now also a two-year programme of culinary management and hotel management delivered under an MOU with Algonquin College, a Canadian institution with a campus in Ottawa and in Jazan, Saudi Arabia, as well as partnerships in China, India, Kuwait, and Montenegro. Last year HEC expanded their offer again with a Bachelor of Hospitality Management degree course.

The student profile at HEC is varied. All the students are over 18, and there are second career seekers or career break returnees who are in their forties or fifties. The gender balance is very close to 50/50, and students come from all over Montenegro, from the coastal region around Budva but also from central and northern parts of the country. The intake is generally between 40 and 70 new students each year across all the courses offered, and the groups are limited to 10 students, except for the chef course which at 15 is the biggest group.

Their courses are also promoted through the Bureau of Employment, and by the industry – the hotels and restaurants who need skilled staff and recommend HEC as a recognised, high-quality training provider. Furthermore, there are the various professional and trade associations whose members include the graduates of HEC and their employers. Central to this is the Centre’s positive cooperation with the HR departments of hotels, restaurants, and other tourism-related companies. The various HR teams share their anticipated demand for the coming year, providing HEC with an entry point in terms of how many people they look to recruit in the public announcements of the Bureau of Employment and other agencies.

Ivana Terzic entered the HEC programme after finishing school and working in various local salons. Aware that she needed more experience and more practical knowledge to complete her experience, she decided to self-finance further education and training opportunities. She says of the HEC course, “I got more than the skills I had hoped for, I learned a lot of new skills, for pedicure and manicure, other beauty treatments and massages, and with that I completed the skills that I had before.”

After finishing at HEC she completed three months work experience in other salons, rounding out her education with practical skills. With the money she earned working for just 18 months in these salons she was in a position to open her own salon, and she attributes her confidence

in doing so to the fact that she already had many satisfied clients. Terzic now employs several people in her salon, and the pride is evident in the way she declares "I'm the owner and I control my own destiny." She is adamant that, had she not invested money in her own education, she wouldn't have been able to open her own business, adding, "This is the best way a person can invest in themselves for the future".

From the beginning HEC has been focused on outcomes for its graduates, and their success is a source of familial pride for Vuksan Vuko Mitrovic, his daughter Anita Mitrovic Milic, and her husband Zlatibor Milic, who, in addition to working with his wife at HEC, is president of the Hotel Sector in the Montenegro Tourism Association. Ultimately, it is the international dimension that is most telling for Milic, who stresses the importance of making Montenegro a better global tourist destination, which he recognises will largely be achieved by developing higher levels of skills and quality of staff in the hospitality industry.

Three things related to Montenegro from recent ETF work:

1. Montenegro was one of three ETF partner countries to join the European Alliance for Apprenticeships in 2015. Apprenticeships can help young people gain the skills and competences to be successful in the labour market, and the European Alliance was launched in 2013 to help provide more and better apprenticeships.

2. A wide range of active labour market policies provided by the Employment Agency of Montenegro was singled out for praise in the country's 2014 Torino Process report. Among other achievements, the Agency has implemented professional development programmes for nearly 4,000 unemployed people with higher education degrees.

3. Women entrepreneurs in Montenegro received a boost from a 2014 'laboratory' event, where discussions aimed to promote entrepreneurial and digital competences among women and create a policy-practice interface through peer learning and regional cooperation. The event recommended international, regional, and national measures to support women's entrepreneurship throughout the Eastern Partnership.

Through the Montenegro Tourism Association he takes part in dialogue at national level with the Ministry of Education, "and that cooperation is very good," he insists, "but of course we could develop and implement better cooperation, especially since a huge part of our sector is made up of small and medium-sized enterprises who don't have the leverage to be at every meeting." He also emphasises the need to make better connections at local level, between industry and schools and the local municipality, "to share our perspective on what is important in skills development for staff in the hospitality industry."

Local strategy line

Mirjana Mrkalj, General Manager at the Hotel Splendid Conference and Spa Resort, is clear what is important for her; "Finding professionals, finding people with skills, is the major issue for our business. Every day, with our HR department, we're searching for people with skills, especially in food and beverages management, and housekeeping." In order to find the right professionals, Mrkalj works closely with HEC, as well as with local vocational schools and universities. Mrkalj also contributes directly to the training of potential staff, working as a professor at HEC in her free time. "I know how important training is," she says, "and I want to send that message to my students. I also want to share my experience to help them find their own way in their careers."

That the skills dimension in human resources for the tourist industry is now explicitly part of Budva municipality's strategy can be attributed, at least in part, to the partnership working that has been at the core of the HEC approach from the very start. The Department for Local Self-governance in Budva is encouraging the labour market through a project in the municipality's 2013-2017 strategy. Head of department Tanja Kazanegra makes clear the importance to her of the partnership model, noting that one of the main concerns of the municipality is to implement strategies that will support the Bureau of Employment and HEC, along with other providers, in offering lifelong learning and retraining programmes.

From the municipality's perspective, HEC makes an excellent partner because of the convenience of working with a local institution that understands the area's needs, and because of its established quality as a vocational school. From 2015 the municipality has included a line in its budget of about €30,000 to support labour market-

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Tatjana Kazanegra, Municipality of Budva

related projects. Budva's Danilo Kis High School also provides graduates, such as waiters and cooks, for the tourist industry, but at a rate of only about 50 graduates a year this is too small to have much impact, as Kazanegra explains. "During the summer season here in Budva we have more than 9,000 permits for workers from abroad, so the local labour market in Budva and even in the state of Montenegro cannot provide enough workers."

The production of trained graduates in sufficient numbers is linked to the skills gap in Montenegro. As Vukija Jelic notes, this is one of the biggest challenges that Montenegro is facing. "There is a structural mis-match between what the education system is producing and what the economy actually requires," she says. "We need a better match between skills, competencies, and qualifications in order that our economy is more efficient and more competitive."

For Kazanegra, the answer lies in the combination of partnership working and fiscal stimulation. "Through these programmes we will try to influence our labour market in order to encourage people to change their career direction and to re-qualify as waiters, cooks, chambermaids, wellness and spa centre workers, tourist agents, and so on. The municipality itself cannot provide such services, since we provide only public services. But we can encourage private sector provision through our budget support."

Labour of love

At Budva's Hotel Residence Miločer, Emina Cirlija, a chef and trainer of chefs, shares some of Mirjana Mrkalj's motivation for getting involved in training. "I became a trainer because I really love this profession," she says, "and I love the feeling that I can share my knowledge with younger people." Seeing the new generations coming through, and how more students are entering the hospitality industry training programmes every year, confirms that hers is a highly productive love.

After completing her own training programme she opted to stay at Hotel Residence Miločer, and was offered an adult education course to enable her to become a trainer. This proved to be a deeply enriching experience, with trainers from abroad and from other Montenegrin towns contributing to a certification that launched her own training career. It also led to a romantic encounter for Cirlija, when she met a certain Milan Jelic who was on a work placement in the Hotel Residence Miločer. When that finished he was offered a job there as a waiter, and as his interest in the profession grew he went on to become a trainer on the waiter training programme. So for Cirlija there were multiple benefits from her career choice. "There is the financial satisfaction," she says, "and I have a year-round job on the coast. And I have to mention that I met my husband Milan Jelic through this programme!" Such an outcome is no surprise to Anita Mitrovic Milic, of course. "Through this project you feel different energy from people, who are happier if they did something with their life, if they changed their life for the better. We have 920 stories like that!"



The ETF is an EU agency that helps transition and developing countries to harness the potential of their human capital through the reform of education, training and labour market systems in the context of the EU's external relations policy.

