

TORINO PROCESS 2012

MONTENEGRO

EXECUTIVE SUMMARY



Prepared by Margareta Nikolovska, ETF Country Manager Montenegro,
and Ummuhan Bardak, ETF Labour Market Specialist

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Bruges-Copenhagen process and Torino Process – complementary tools

The Torino Process has been inspired by reviews of the vocational education and training (VET) system and learning processes at European Union (EU) level. The Bruges-Copenhagen process in VET has been a particularly important factor. In December 2010, European ministers for VET, the European social partners and the European Commission adopted the Bruges Communiqué on enhanced European cooperation in VET for 2011 to 2020. The Communiqué defines common objectives for 2020 and an action plan, combining national measures with European support. As an EU candidate country, Montenegro took part in the Bruges process in 2012 and reported back to the European Commission on its main achievements in the VET system.

The Torino Process is a participatory process leading to an evidence-based analysis of VET policies in a given country. Montenegro took part in the Torino Process exercise for the first time in 2012. The exercise was implemented on a self-assessment basis. An attempt was made to boost the national policy dialogue on VET. A medium-term vision and priorities for VET development were also discussed. A working group managed the drafting of the Montenegro Torino Process report. The working group was led by the Ministry of Education and consisted of representatives of the following institutions: the Centre for Vocational Education, the Chamber of Economy of Montenegro, the Union of Employers of Montenegro, the Employment Agency of Montenegro and the Statistical Office of Montenegro (MONSTAT).

The validation workshop took place in Podgorica in November 2012. Preliminary findings of the 2012 Montenegro Torino Process review were presented. Participants also discussed ways in which evidence might influence key policy making in the VET sector in Montenegro. The Montenegro Torino Process exercise documented strong commitment to achieving progress in VET policy development. The objective is to enhance long-term capacity and the relevance of policy making.

Torino Process findings

Montenegro has made significant efforts over the last two decades to improve the overall quality of its VET system. VET reform in Montenegro relies on the premise that the VET system should provide broad-based education that covers vocational skills and knowledge and also offers access to further and higher education and good opportunities for personal development and social integration.

What is the vision for VET development and does this vision comply with broader socioeconomic development objectives?

Montenegro is a small country with a population of 620,029, of which 30% live in Podgorica¹. The global crisis still affects the economic growth rate which declined from 2.5% in 2011 to 0.2% in 2012². Most of the economic growth has been in tourism, trade, agriculture, forestry, transport and construction, while industrial production has declined. Tourism and real estate receive most of the foreign direct investment. Services account for 70% of gross domestic product (GDP)³. A high share of micro and small businesses is a typical feature of the economy: in 2012, 98.6% of companies were micro or small companies with between 0 and 49 employees. They are responsible for 31% of exports and 61.7% of total employment in the economy. The main challenge is to support the development and growth of more dynamic small and medium-sized enterprises (SMEs). The VET system faces the challenge of delivering more relevant SME skills and entrepreneurial training.

Following broad-based consultation and policy dialogue, key stakeholders in Montenegro have shaped a vision which is presented in the VET strategy. It represents an explicit endorsement of the Copenhagen policy framework on VET and European employment policy. The Montenegrin Vocational Education Development Strategy (2010-2014) defines the objectives whose implementation will:

- facilitate a faster response by VET to labour market needs.
- develop qualifications based on learning outcomes.
- provide equal access to different education and training services to all age groups.
- deliver high-quality (initial and continuing) VET, based on defined indicators of education quality.
- ensure the personal and professional development of every individual.
- encourage social cohesion and active participation of citizens.
- ensure compatibility of qualifications obtained in Montenegro with the qualifications obtained in other countries.

In conclusion, the strategy provides a sound basis for effective VET reform. However, the credibility of all the policies and actions depends on the way they are linked with the needs of citizens at local level and how they are operationalised across the country. It also depends on the capacity of the authorities to target resources and mobilise institutions and stakeholders at all levels of the VET system and on the capacity of all stakeholders to engage in a meaningful policy dialogue that will reinforce the policy implementation.

Do the skills offered by the VET system match those required by the labour market and economic situation?

The issue of the external efficiency of VET systems with regard to the labour market is moving up the VET policy agenda in Montenegro. Labour market participation rate is low and declined further from 61.2% in 2008 to 57.3% in 2011 in Montenegro (63.8% for males and 50.9% for females). In the same period, the employment rate fell from 50.8% to 45.9% (51.2% for males and 40.7% for females) (Labour Force Survey – Annual Results 2011, people aged between 15 and 64 years). The

¹ The World Bank <http://data.worldbank.org/indicator/SP.POP.TOTL>, accessed on 16/08/2012

² The World Bank <http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG>, accessed on 16/08/2012

³ Source for 2008-2011: Statistical Office of Montenegro, Labour Force Survey 2008, 2009, 2010 and 2011, Podgorica.

unemployment rate was high (19.9%) in 2011, with little difference between the sexes. Although the registered unemployment rate is lower (17.7%), the Employment Agency of Montenegro reports a growing unemployment register and a decreasing number of job vacancies. The youth unemployment rate among those aged between 15 and 24 rose from 30.5% in 2008 to 37.1% in 2011, although it dropped from 45.5% in 2010, possibly due to the partial recovery from the negative impact of the global crisis. Long-term unemployment persists, accounting for 79.6% of the registered unemployed. More women than men are jobseekers. Approximately 10% of people who are long-term unemployed are without a job for more than eight years⁴.

The wide range of active labour market policies (ALMPs) provided by the Employment Agency of Montenegro deserve to be praised. At the same time, the limited funding available for these policies remains a key challenge. Already at a low level (with an average of 0.03% of GDP allocated to these activities between 2007 and 2010, the funds are decreasing further in absolute terms – in 2012, they were two times less than those in 2011. This led to a significant decline in the non-formal training programmes implemented by the Employment Agency of Montenegro (particularly for long-term unemployed people). The number of unemployed people who received training fell from 1 170 in 2011 to 569 in 2012. The Employment Agency of Montenegro also provided employment subsidies (362 people), volunteer work and internships, and vocational training to unemployed university graduates. The proportion of registered unemployed people participating in the agency's activation measures is high (39%), but no information on the impact of such measures is available. The persistently high number of long-term unemployed points to the limited impact of activation measures on disadvantaged groups.

The Ministry of Labour and Social Welfare recently adopted a National Strategy for Employment and Human Resources Development (2012-2015). In October 2012, the country's Operational Programme for Human Resources Development was finalised and approved by the European Commission. This programme is divided into four priority axes:

- efficient and inclusive active employment policy measures, which cover the training of staff in the Employment Agency of Montenegro and a grant scheme for employability projects.
- enhancement of skills, knowledge and competences for employability and competitiveness – improvement of VET qualifications and research capacity in higher education.
- enhancement of social inclusion, better access to the labour market for disabled people and the Roma, Ashkali and Egyptian communities.
- technical assistance to support the Instrument for Pre-Accession Assistance (IPA) IV operating structure.

There is a mismatch in Montenegro between skills that are needed and those available on the labour market. Skills supply and demand is a challenging issue. This can be improved if an integrated approach to employment is adopted. Such an approach involves employability measures, including adequate training and well-targeted ALMPs, self-employment incentives, job creation actions and boosting of foreign investments in the country. Measures should be established through a participatory approach, taking into account the needs of employers in terms of capacities. A network of stakeholders involved in the labour market should be put in place. This would include key partners for public employment services, such as the responsible ministries at central level, the social partners, social welfare centres, educational establishments, local authorities and employers' representatives. Tools to anticipate the needs of the markets could help to better match skills and labour market needs,

⁴.Source for 2008-2011: Montenegro Statistical Office, Labour Force Survey 2008, 2009, 2010 and 2011, Podgorica

particularly in those sectors with great potential for growth – tourism, agriculture, construction and renewable energies.

Do VET institutions and the programmes and skills offered by the VET system dovetail with the aspirations of individual learners and the needs of vulnerable groups?

Since 2000, policy measures to increase the external efficiency of VET have included sustained attempts made by stakeholders at various levels of the system to improve vertical and horizontal mobility. They have tried to achieve this mobility through the gradual implementation of modular curricula in VET; the introduction of modern and flexible qualifications based on a qualifications framework that integrates all education levels; ongoing reform in adult education and training; and higher education reform aligned with Bologna requirements.

Montenegro adopted a strategy of inclusive education in 2008 and a strategy for adult education to cover the years 2005 to 2015. Young people, individuals with a low standard of education, disabled and elderly people and the Roma population are vulnerable groups that are most affected by unemployment and overrepresented in precarious employment (seasonal, temporary, low-paid and informal jobs). Unemployment remains a problem for people with disabilities, mainly due to the lack of institutions and capacities for rehabilitation. The Law on Professional Rehabilitation and Employment of People with Disabilities was amended in December 2010, focusing especially on active labour market policies, including individual professional rehabilitation plans, entrepreneurship training and measures for self-employment.

The Ministry of Education has made considerable efforts to adjust VET provision to the new labour market and social demands. In accordance with the provisions of the 2010 Law on the National Qualifications Framework, the government established the National Council for Qualifications in May 2011. Representatives of the social partners also participate in this council (Official Gazette No. 29/11). A rulebook on the description of levels and sub-levels of qualifications was adopted (Official Gazette No. 50/11) following consultations with the National Council for Education and the National Council for Higher Education. New profiles were included in business education, information technology (IT) and tourism. Information and communications technology (ICT) and entrepreneurship were integrated into curricula at different education levels. Qualification standards were developed for several qualifications at fourth level in the tourism and agriculture sectors.

Reducing skill mismatches requires better linkages between the worlds of education and business. Skill needs and labour market information must be obtained from various sources to determine updated skill needs by economic sector. Profiles and programmes must be adjusted accordingly. A comprehensive skills forecasting system that could analyse trends in economic and skills development and inform VET planning in the medium to long term could be a useful tool for understanding trends. The country's National Economic Development Plan 2013-2016 could be a relevant starting point. It could be used to determine human resources development needs. It must also be acknowledged that the national qualifications framework aims to cover all qualifications at all levels, including those provided by higher education. This integrated approach to the development of a qualifications framework will have a positive impact on the attractiveness of VET in Montenegro. It is also expected to ensure more flexibility in skills supply and enable vulnerable groups to gain access to skills.

What further reforms are necessary to modernise the various building blocks of the VET system?

Internal efficiency and effectiveness in VET focuses mainly on its provision in VET schools, colleges, faculties and company training sites. Secondary VET in Montenegro is implemented in 39 educational

institutions (schools). The school network consists of 26 VET schools, 11 mixed schools and 2 educational centres, which also implement VET curricula. Since 2004, the main focus of reform has been on VET curricula. These are now updated and modernised. VET curricula now clearly define which knowledge, skills and competences students acquire in each specific VET programme.

Consistent efforts are in place to improve the quality of education. At the end of the 2010/2011 and 2011/2012 school years, external Matura exams in secondary grammar schools and external vocational exams in VET schools were carried out on a nationwide scale, following a pilot phase which served to overcome difficulties. In 2011 and 2012, Montenegro made progress in implementing the provisions in its 2010 legislation. These provisions provide for an internal and external evaluation of quality in schools as an obligatory exercise every two years. The leading institution in the reform process is the Ministry of Education. The VET Centre and the Bureau for Development of Education play an important role in implementing the reforms. External evaluation ensures that improvements are made in the management of VET schools and also in the VET system as a whole. Internal evaluation is recognised as a very important tool in supporting the management of VET schools and as an essential part of the planning, decision-making and management process.

The implementation of the Strategy on Development and Financing of Higher Education, adopted in April 2011, has been boosted by the Higher Education and Research for Innovation and Competitiveness project (HERIC), which runs from 2012 to 2017. This project was financed by a loan from the World Bank (15.8 million dollars). The objectives are to enhance the quality and relevance of higher education and research; to ensure compliance with the standards and norms of the European Quality Assurance Register for Higher Education (EQAR); and to become a full member of the European Association for Quality Assurance in Higher Education (ENQA). One of its targets is to reduce the dropout rate in higher education from the current 60% to 10% by 2020. Another is to increase the share of 30 to 34 year olds with completed higher education to 45% in 2020 (no current data is available), which is in line with the Europe 2020 objectives.

All VET providers (those that offer programmes at upper secondary level and in public and private adult education and training) should be given an opportunity to improve the quality of their teaching and learning services provided to various groups of students and target groups. Key players are teachers and management staff. In this regard, it could be useful to continue to adopt measures that will enhance quality mechanisms that are specific to each VET school or VET provider. These measures could be based on factors such as the development of external evaluation procedures, self-assessment and internal evaluation and the development of indicators. The European Quality Assurance Reference Framework could also continue to provide inspiration. The process also needs to look beyond Montenegro so that it can offer key stakeholders excellent opportunities to grasp and build on mechanisms and tools available in Europe and internationally.

Are institutional arrangements, capacities and budgets adequate for bringing about the desired changes in the VET system?

In the period following independence, Montenegro made significant efforts to establish a network of institutions to support VET policy implementation. Decentralised education governance was enabled by setting up independent executive agencies: the Bureau for Development of Education, the VET Centre and the Examination Centre. The Institute for Textbooks and Teaching Aids was established in 1995 as the official publisher of textbooks in Montenegro. The VET reform process has resulted in greater involvement of the social partners in VET. A structured dialogue with the social partners and with civil society organisations on education policy issues has been successfully initiated. The civil society sector has been an important partner for the government when special policy interventions were designed in relation to social inclusion, minorities and corruption in education. All in all, a

revitalised network of institutions is moving VET reform ahead and a range of stakeholders in the country are taking on board a number of commitments.

Since VET system development is located at the intersection between education and work, multi-level relationship systems need to be strengthened, including those with the Ministry of Labour and Social Welfare and the employment services. This is because VET policies, if they are to be successfully implemented, depend on a whole range of people and institutions. At the same time, the impact of strategic VET decisions depends on the way in which different partners organise the feedback process and on key stakeholder involvement in VET policy implementation and review. The joint efforts and commitment of all partners in the process are necessary to develop a knowledge-based society, where citizens of Montenegro will acquire and apply new knowledge and skills to their activities. Formal networks like the Council of Education and the Council for Qualifications require active support in order to sustain the progress in VET reforms.

EU support and the role of donors in VET reform

Between 1995 and 2012, the VET reform process was supported by key donors, including the EU, within the framework of various programmes – Phare (a programme of Community aid to the countries of Central and Eastern Europe), CARDS (Community assistance for reconstruction, development and stabilisation) and IPA (Instrument for Pre-Accession Assistance). More recent donor support has had a significant impact on policy developments. Assistance provided to VET institutions (CARDS 2004) with a budget of two million euro paved the way for different options for the development of vocational qualifications, which resulted in the Law on National Vocational Qualifications and the Strategy for Establishment of the National Qualification Framework in Montenegro (2008-2010), which was developed and adopted by the government in 2008. The National Qualifications Framework and Quality Assurance in Higher Education project (IPA 2007) had a budget of 1.55 million euro. It supported the establishment and implementation of the qualifications framework with due reference to the European Qualifications Framework.

Apart from important EU support, international donors have recently provided a great deal of assistance to the VET system in Montenegro (German Agency for International Cooperation (GIZ), the British Council, Luxembourg Agency for Development Cooperation, KulturKontakt). The Luxembourg Agency for Development Cooperation is implementing an important project to support VET reform in the country. Since July 2009, the MNE/011 project has focused on strengthening vocational training in the northeast of Montenegro. The project has a budget of 5 380 000 euro⁵. The overall objective is to contribute to the elimination of long-term poverty in the northeast of the country. It also aims to reinforce the VET system at the national and regional level in order to make it more efficient in the development of the agriculture and tourism sectors in the northeast of Montenegro.

From vision to mainstreaming of VET reform

The VET vision sets out a number of objectives for Montenegro that will help it to develop as a knowledge society. It sees vocational education as the key factor in economic and social development. Consequently, this vocational education must be high quality, flexible and efficient. It must also have the professional human resources with competitive knowledge, skills and competences who will be qualified to take part in the labour market, where each individual has equal opportunities for personal and professional development.

The Bruges-Copenhagen exercise implemented in 2012 in relation to short-term deliverables concludes that important achievements have been made in VET policy development and

⁵ The Grand Duchy of Luxembourg contributed 5 200 000 euro and the government of Montenegro contributed 180 000 euro

implementation in Montenegro since 2010. These relate to VET attractiveness and excellence; the adoption of procedures for the validation of non-formal and informal learning supported by the European Qualifications Framework and the national qualifications framework; and guidance for and implementation of recommendations made by the European Quality Assurance in Vocational Education and Training (EQAVET) and the European Credit System for Vocational Education and Training (ECVET). Further efforts are needed in relation to participation in continuing VET. Given the 15% benchmark set out in Education and Training 2020 (ET2020), this seems to be an important challenge for the country⁶. The findings of the Torino Process exercise indicate that Montenegro needs to continue to develop as a knowledge society where VET, as a key factor in economic and social development, will be high quality, flexible and efficient. It will also have professional human resources who will have competitive knowledge, skills and competences and who will be qualified to take part in the labour market, where each individual has equal opportunities for personal and professional development.

The European Council's decision of December 2010 to grant candidate country status to Montenegro and the Council's decision of December 2011 to open access negotiations between Montenegro and the EU have made the need to address human resources development and skills availability a more pressing challenge. The European Commission's 2012 progress report indicates that good progress has been made in the area of programming. The quality and maturity of projects need to be further improved in order to comply with the requirements of IPA components preparing for the Structural Funds and the Cohesion Fund. Preparations in this area are moderately advanced (European Commission, Progress Report 2012, Montenegro)⁷. In November 2012, the EU began the pre-screening process for the EU *acquis*, opening the chapters on education and culture and on social policy and employment. For Montenegro, the strategic framework for European cooperation in education and training (Education and Training 2020), which contributes substantially to the Europe 2020 strategy for jobs and growth, provides a reference for the country's human resources development policies.

Human capital development is one of the driving factors in the country's efforts to successfully continue the EU negotiation process. It is a dynamic area with many innovations and challenges, exacerbated by the economic crisis and its impact on jobs, skill needs and social policies. The country has made important progress in tackling these issues. It is mobilising capacities to utilise the opportunities offered by the new IPA II (2014-2020) cycle where significant investment in human resources development is expected. This can fulfil expectations that Montenegro will ensure its economic competitiveness, sustainable development and social inclusion.

⁶ ETF Bruges communiqué stock-taking report for EU candidate countries, 2012

⁷ Commission Staff Working Document Montenegro 2012 Progress Report, accompanying the document Communication from the Commission to the European Parliament and the Council Enlargement Strategy and Main Challenges 2012-2013 {COM(2012) 600 final}

CONTACT US

For further information about our activities:

www.etf.europa.eu

or contact:

Communication Department
European Training Foundation
Villa Gualino
Viale Settimio Severo 65
I – 10133 Turin

E info@etf.europa.eu
T +39 011 630 2222
F +39 011 630 2200

