



USAID
FROM THE AMERICAN PEOPLE

WORKFORCE DEVELOPMENT

REGIONAL OVERVIEW:
MONTENEGRO

REGIONAL COMPETIVENESS INITIATIVE

WORK FORCE DEVELOPMENT

REGIONAL OVERVIEW: MONTENEGRO

REGIONAL COMPETITIVENESS INITIATIVE

DISCLAIMER

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

TABLE OF CONTENTS

SUMMARY	4
LABOR SUPPLY/DEMAND GAP.....	7
INSTITUTIONAL ACTIVITIES AND PROJECTS	8
PUBLIC INITIATIVES.....	9
GOVERNMENTAL PROJECTS AND ACTIVITIES IN COOPERATION WITH INTERNATIONAL SUPPORTING ORGANIZATIONS.....	12
PRIVATE INITIATIVES.....	13
OVERVIEW OF ADOPTED OFFICIAL DOCUMENTS DEALING WITH WORKFORCE DEVELOPMENT	15
CONTACTS OF RELEVANT INSTITUTIONS AND AUTHORITIES.....	16
RELEVANT USED LITERATURE.....	18
TABLE 1: MACROECONOMIC INDICATORS	5
TABLE 2: LABOR MARKET INDICATORS.....	6
TABLE 3: NUMBER OF TRAINING PROGRAM ATTENDEES FOR KNOWN EMPLOYER.....	8
TABLE 4: NUMBER OF TRAINING PROGRAM ATTENDEES FOR LABOR MARKET	8
FIGURE 1: ECONOMIC GROWTH BY SECTOR (%)	6

SUMMARY

The workforce development in Montenegro is assessed and analyzed through the lens of the private sector needs, based on available strategic papers and interviews with key stakeholders. The main gap is the gap between private sector needs (skill set, knowledge, experience of employees) and the type of training provided at all levels (secondary, tertiary, adult education). One of the most important things however is that there is plenty of studies, strategies and action plans for Montenegro. Although not all of them are equally supported by all possible stakeholders, they offer great insights and often prescribe solutions that could help make important advance. The greatest difficulty seems to be in the implementation of many strategic documents and future activities in this area should attempt to focus on the implementation of solutions with adaptations when that is needed.

Some of the strategic national level documents that impact workforce development include: National Strategy on Employment and Human Resource Development, National Employment Action Plan, and then for the specific sectors the HRD Strategy for the Tourism Sector, the Lifelong Education program (developed and promoted by Directorate for SME Development), the Strategy for Sustainable Development Education (developed by the Office for Sustainable Development) and others. In general, significant donor support in recent years resulted in numerous strategic papers while their real implementation did not happen due to the lack of resources left aside for that purposes. However, those strategic papers identify in great details the quantitative needs of some sectors (ie HRD Strategy for the Tourism Sector, which covers the tourism sector and makes projections for the future).

In addition to the quantitative gaps, one can found some qualitative gaps as well, which are based on the mismatch between the type of training that future employees receive in schools, universities and training centers and the needs of the private sector. For example, after completion of some specific courses, attendees still lack knowledge of foreign languages, Internet and computer skills, that are essential especially in the tourism sector. The lack of effective practical training programs contributes to the lack of practical training, which is much needed at almost all levels. This is partially addressed by the new dual system, which GTZ has helped design and roll out in vocational high schools but the true effect remains to be seen in the next years. Also, the gaps in the themes that are being delivered through curricula are found, particularly as they relate to the type of product portfolio that could be developed in some parts of Montenegro. For example, as many studies show, the biggest opportunity for the North is to expand into nature-based tourism development along with development of some natural (or organic) food products. These are not topics that students are exposed to in schools or universities. In essence, educational institutions nurture future industry professionals who have little understanding and preparation to be involved in or manage the type of tourism or agriculture that could be developed in the North and that could help diversify the current product portfolio of Montenegro.

At the institutional level, there are several institutions that actively participate in the design and implementation of program improving workforce development policies and reforms. Formally, two the most important institutions are Ministry of Education and Science and the Vocational Training Center, the umbrella organizations for vocational high schools.

On the other hand, professional and adult education is offered by: some of the professional and business associations offering programs for their members (ie Montenegro Business Alliance, Federation of Montenegrin Employers etc), local training centers contracted to provide training programs for unemployed by Employment agency of Montenegro and professional certificate programs leading to professional licenses for certain activities. Still, there is a lack of coordination between training providers and employers, while good examples exists ie Training center for hospitality in Milocer. At the level of Vocational High Schools, several donor programs were implemented but mainly focusing teachers and principals and not students and their attitude towards curriculum changes and their future career opportunities. At the tertiary level of education, lacks from practical exposure that students finishing the faculties do not have and therefore are not ready for the market.

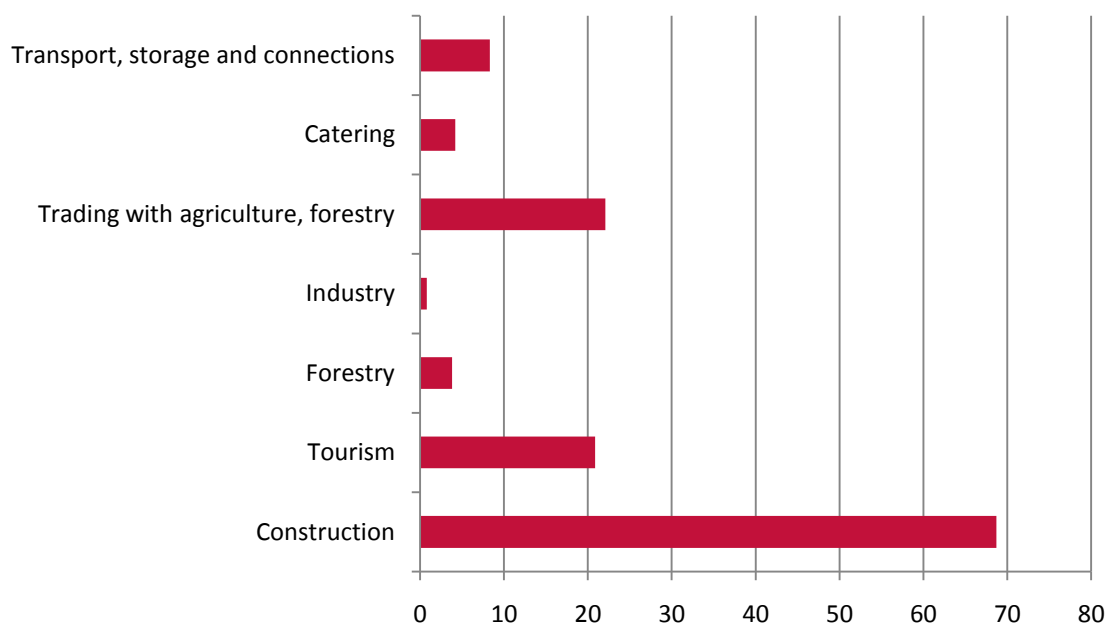
TABLE I: MACROECONOMIC INDICATORS

	2007	2008
GDP in current prices (mil €)	2,278.14	3,025 ¹
GDP per capita in current prices (€)	3,673.56	2,328.2 ²
Real GDP growth in %	7.0%	8.0%
Industrial production growth rate (%)	0.10	3.9% ² I-IX
Manufacturing industry growth rate in %	9.3	-9.4 ² I-IX
Production of electricity, gas and water growth rate	-27.4	36.3 ² I-IX
Mining and quarrying growth rate in %	1.50	19.5 ² I-IX
Inflation CPI %	4.20	8.90 ²
Number of tourists (average)	1,150,000	968,079 ³ I-IX
Total income from tourists (in mil €)	480.00	
Employed (average)	216,902	165,640.9 ² I-X
Unemployed rate in %	11.90	10.69 ⁴
Unemployed (average)	31,845	29,741.1 ² I-X
Number of pensioners	93,606	96,880 ⁹
Average wage in € (without taxes and contributions)	497.00	411.2 ¹⁰ I-X
Average pension in €	161.20	238 ⁸
Budget deficit/surplus in mil €	168.4	124.6
Budget deficit/surplus as % GDP	3.00	
M1 (mil€)	1,534.40	1,412.2 ²
M2 narrow concept (mil €)	2,604.60	2,733.9 ²
M2 broader concept (mil €)	2,726.50	
Total deposit (mil €)	2,089.40	2,326.3 ² I-IX
Household deposit (mil €)	1,017.90	1,114.1 ² I-IX
Deposit by corporate sector (mil€)	644.40	
Total loans (mil€)	2,247.06	2,852.3 ² I-IX
Loans disbursed to households (mil€)	796.80	1,049.4 ² I-IX
Loans disbursed to corporate sector (mil €)	1,366.30	27,328.125 I-IX
Annual lending interest rate	9.03	9.3 I-X
Annual borrowing interest rate	3.35	4.15 ² I-X
Export of goods and services	1,080.45	415,339,000 ² I-IX
Import of goods and services	1,647.30	1,449,418,000 ² I-IX
Trade balance (mil€)	-566.80	-1,700.251 ¹⁰
Current account balance (mil€)	-576.02	
FDI (mil€)	678.00	685.00 ⁷
Grey economy in %	22.60	
Poverty rate in %	12.00	
Number of registered companies	17,774	23,882 ⁶
Number of registered entrepreneurs	14,774	16,421 ⁵
The external debt		481,700,000 I-X
The external debt (% of GDP)		14.4 I-X

TABLE 2: LABOR MARKET INDICATORS

	Employees	Average wages before taxes and contributions
Agriculture, forestry and water-power economy	2,586	305
Fishing	112	229
Mining and quarrying	3,753	630
Manufacture industry	25,697	465
Production and supply of electricity, gas and water	5,594	702
Construction	6,647	304
Whole sale and retail trade, repair of vehicles, personal and household goods	30,750	277
Hotels and restaurants	11,307	306
Transport, storage and connections	11,358	556
Financial intermediation	3,143	912
Real estate, renting and business activities	5,354	405
Public administration and compulsory social insurance	17,575	447
Education	12,687	382
Health and social work	12,004	367
Other communal, public and personal service activities	7,841	378
Total	156,408	338

FIGURE I: ECONOMIC GROWTH BY SECTOR (%)



Source: The Montenegrin Statistical Office, the Central Bank of Montenegro

According to official data, in the first ten months in 2008, in compare to the same period last year, in Montenegrin economy the highest growth of 68.7% was recorded in the constructing sector (data were available for the period of III quarter matched with data from the same period last year). On the second and third place are tourism sector that evidenced growth of 20.85%, and trading sector (for agriculture, forestry and fishing products) with recorded growth of 22.1%.

Source for macroeconomic indicators:

¹ Montenegrin Ministry of Finance www.vlada.cg.yu

² The Central Bank of Montenegro www.cb-cg.org

³ Government of Montenegro www.vlada.cg.yu

⁴ The Employment Bureau of Montenegro www.zzzcg.org

⁵ Commercial Court www.crps.cg.yu

⁶ Commercial Court (number of total companies excluding entrepreneurs)

⁷ The Montenegrin Investment Promotion Agency (MIPA) www.mipa.cg.yu

⁸ Montenegrin Pension Fund, www.rfondpio.cg.yu (the average pension on date of January, 20, 2009)

⁹ Montenegrin Pension Fund (statistics on date of January, 2008).

¹⁰ Monstat (The Montenegrin Statistics Office) www.monstat.cg.yu

LABOR SUPPLY/DEMAND GAP

The Employment Agency of Montenegro has carried out survey regarding the labor supply/demand gap titled The Analysis on Deficiency Occupations in Montenegro. The survey was performed among employers in 2007 on the sample of 2117 enterprises.

As shown by the survey findings, besides the obvious increase of employers' demand and expectations in certain occupations, it should be taken into account that over 80% of the economy has been privatized yet which implies employers' responsibility and necessity of their effort to provide the qualitative workforce jointly with the national authorities and public sector.

On the other hand, Local self-governments are still not enough interested and cautious while accessing to planning process in order to provide necessary deficit human resources in mid and long term. One of the mechanisms could be providing scholarships for students in order to improve supply of deficit vocations, or to retain the skilled workforce who should be the carrier of the development process especially in Northern Montenegro.

According to the survey results, employers find that Montenegrin workforce lacks in particular the following skills: knowledge of foreign languages, (54.65%); communication and computers skills, are on the second place; creativity seems to be of high importance for the employers, and is ranked on the third place; technical-technological skills, than organizational skills, marketing skills and at the end financials skills.

Analyzing the table of occupations, for last 4 years, an increase for requiring employees in almost the whole range of occupations could be noticed (except in a real estate and private household's activities). Regarding the demand for deficit vocations, on the first place are the following sectors: hotels and restaurants (26.94%), than construction (25.56%), trade (10.64%), manufacturing (9.66%), education (5.25%), transport and connections (4.67%) etc.

The highest demand growth is recorded in the construction industry achieving almost 10 percent more than in 2006; while in comparison to 2005 the demand was 10 times higher. Therefore, lack of qualified workforce in construction industry held the second place in 2007, after hotels and restaurants. It is perceived that it should be paid a special attention to the problem of the demanded cadres lack in the most important branches of Montenegrin industry, and to prepare separate strategies for its long term overcoming in cooperation with social partners.

Tourism and construction seems to be the branches with growing workforce deficit from year to year, so regarding the inquiry results, the two vocations participate with over 50% in the total employers' demand.

Lack of high number of cadres in the deficit vocations, is compensated from the neighboring countries, and due to that it is needful to make the comparison with those indicators:

- By industries, the highest number of non residents is hired in the construction (32%), than in catering (25%), in trade (13%) and in agriculture (11%).
- By municipality, the highest number of non residents is engaged in municipalities of Budva, Podgorica, and Herceg Novi and Bar.
- By region, Northern Montenegro lack highly qualified professionals with completed VII degree of education, while central and southern part of the country lacks qualified workers (with completed vocational training in particular occupations).

The data confirm the highest number of persons is being trained in the sectors with the most significant deficit as are **tourism, catering and handcraft**.

Two tables below present the data about training attendees for the known employer and the number of training attendees for the labor market in general.

TABLE 3: NUMBER OF TRAINING PROGRAM ATTENDEES FOR KNOWN EMPLOYER

Occupation field	Number of attendees		
	In 2005	In 2006	In 2007
Manufacture	246	359	171
Construction	3	28	101
Trade	15	103	15
Tourism and catering	126	45	63
Health	18	18	7
Services	19	101	100
Total	427	654	457

Source: Analysis of Deficiency Occupations in Montenegro, Employment Agency of Montenegro

TABLE 4: NUMBER OF TRAINING PROGRAM ATTENDEES FOR LABOR MARKET

Name of the program	Number of attendees		
	2005	2006	2007
Training course in informatics	1,409	1,464	1,380
Foreign languages courses	497	609	682
Course for sailors	114	10	48
Course for drivers	340	342	222
Course for hoteliers	516	627	480
Course for craftsmen	190	566	596
Scholarships	8	3	5
Total labor market	3,074	3,621	3,413
Total attendants	427	654	457

Source: Analysis of Deficiency Occupations in Montenegro, Employment Agency of Montenegro

INSTITUTIONAL ACTIVITIES AND PROJECTS

Within activities related to workforce development and improving the labor market conditions in Montenegro, currently it could be seen two streams running. One is related to public sector activities, which are being performed on national level by relevant ministries, organizations and institutions involved in the process of improving labor market and increasing employment, including Universities, several ministries like Ministry of

Health, Labor and Social Welfare, the Ministry of Science and Education, relevant public organizations ie the Directorate for Human Resource Development, Centre for Vocational Education, Labor Union Confederation of Montenegro, and the Statistical Office of Montenegro etc. Those institutions are connected and have synergetic effect on improving current situation in Montenegrin labor market through their associated activities. Also, strong support is provided by foreign organizations among which are: GTZ, UNDP, USAID, SNV Montenegro, and projects funded by European Commission.

Besides operations being carried out by public sector, in Montenegro it could be recognized the raising impact of private sector, in many forms. Regarding the workforce development and the labor market, what could be noticed is that private sector appears to be the partner in those doings and tendencies, and not present as a competitor, but the ally, contributor and assistant, also initiator of some important current streams. Besides universities such are UDG and Mediterranean University, which are investing efforts in developing modern and effective education system and providing knowledge to young people with general aim to become perspective cadres in a future period, it should be mentioned also the Montenegrin Craft-Entrepreneurs Chamber, and Hotel Educational Center in Milocer are focused on training cadres in catering and hospitality. Business Start-up Center from Bar is also one of current upholders of activities aimed to support young Montenegrin entrepreneurs, giving them informational and financial support through incubators during their first business steps. Also, BSC from Bar provides variety of trainings to all educational levels from students to adults, employees and employers. One of supporter of labor market is organization called Career Team, that acts as a bond of job seekers and job providers, as an independent initiator and driver of several fairs of cadre potentials, where young perspective and ambitious graduated students have opportunity to be in direct touch with employers, to have an interview and to submit their CVs. Such fairs also provide an opportunity for employers to have a communication with potential employees that possess necessary skills and capabilities.

Observing the coupling and operating of the two sectors, which is obviously stronger from year to year, through enhancing the labor market and entrepreneurship, aided by many private initiatives and foreign donors support and activities, enormous engagement and initiative of public sector with those stated initiatives, it could be noticed that Montenegrin labor market is moving toward high European educational standards. It is supported also by raising number of nongovernmental organizations engaged in different areas, raising number of economic associations and alliances, stimulators and service providers. The big support to employers' interests and status is provided by Montenegro Business Alliance (MBA) as one of associations which provide support to private businesses through engaging in improving business environment in Montenegro.

Here are presented general initiatives of public and private sector in Montenegro, showing their current activities focused on workforce development and improving flexibility of the labor market in the country.

PUBLIC INITIATIVES

At the moment, two public institutions: **Ministry of Health, Labor and Social Welfare** and the **Montenegrin Employment Agency** are carrying out activities under the project titled **Work Force and Labor Market Development, phase I**. As the result of this project the **Strategy on Employment and Human Resource Development** for the period till 2011 has been developed, as well as the **National Action Plan** for the period from 2008 to 2009 and the **White Book on Human Resource**. The stated project has had the duration from November 2006 to September 2008.

The second phase of the project titled **Work Force and Labor Market Development II**, should serve as a follow up, is in a preparation and its realization is expected to be initialized probably in March 2009, and supported by European Commission. The project is dedicated to strengthening the institutions of the labor market,

developing the local partnership in the field of development the employment human resource and in the field of professional informing and advising.

Regarding the specific institutional units, within the public sector, there is a **Center for Human Resources**, as a young organizational unit with a small number of employees of different profiles with series of initiatives for research work in the field of labor market, especially in the field of education, training and employment. **The Information Center** (Training Center) also represents the initiative of the Employment Agency on improving current and potential employers' skills and is based on technical-technological support of computer equipment and on use adequate program applications. New activities in this area of professional informing will be realized, through operating informatics spots in schools. It is expected that the project will be realized with assistance of **CIPS** (Center for Informing and Professional Advise) and ZID NGO. CIPS foundation has a goal to increase size and quality of communication with clients who need specific advises in planning their career. Foundation of CIPS is the step towards getting involved in regional projects and accession to European standards.

Ministry of Health, Labor and Social Welfare (MHLSW) as the representative of the Government is carrying out significant activities in the field of improving Montenegrin labor market, employment, status of employees, and developing preconditions and basis for achieving EU standards. The general activities of the Ministry are being conducted in the field of normative activities (development and implementation of relevant regulation) and monitoring the implementation process of the activities. In the next period MHLSW is planning development of certain documents and laws, which has the aim to lead to improved conditions on the labor market, and it is also planned the stream of activities within the IPA 2008.

During 2008, the Ministry organized several meetings, seminars and workshops, developed certain documents, and plans to develop new ones. In the first part of 2008, it organized a couple of meetings of working groups with the task of developing certain projects in scope of IPA 2008, called the **Labor Market Reform and Work Force Development II**. The following three priorities will be in focus:

1. Further development of institutions' administrative capacities on the labor market and in the field of employment,
2. Initializing local partnerships with aim of pursuing active measures on employment and
3. Providing Professional education and advising services.

By the end of the first quarter of 2009, **the new Law on Employment and Nonresidents** should take effect, and according to it, it is expected that three sub-laws are developed and adopted, to prescribe procedures in more details and to systematically adjust nonresidents' employment in Montenegro. In 2008, in June, two days workshop entitled **The Social Inclusion of Ethnic Groups in West Balkan Countries** was organized by ETF (European Training Foundation), to tackle the issue of vulnerable groups with particular focus given to their employability. The **National Plan on Integration** should also be mentioned as an important document that defines further steps in the field of labor market reforms, especially in area of harmonization with EU standards and legislative.

There is also the **Program on Support to Entrepreneurship** that through providing credit lines has the purpose of stimulating self-employment in its first year, and support opening new working places for unemployed, in consequent years. Jointly with experts from EU, authorities from the Ministry and the Employment Agency have considered models for founding the **Work Fund**. The Government has also defined the **Proposition of the Law on Professional Rehabilitation and Employment of Disable Persons**. The institution also conducts activities on informative-motivating seminars. In cooperation with other social partners it has been continually realized the **Sunny workshop**, also the project **It should be clean**, which supports engagement of unemployed persons for short term seasonal jobs.

The Ministry for Education and Science signed the contract on Enhancement of Employment via professional education and training, with the general aim of improving employment of graduated high vocational schools. The project is being realized in the scope of bilateral technical cooperation with the Government of Federal Republic of Germany, with GTZ in charge for its implementation. The Ministry is actively included in preparing and publishing all curriculum materials, introducing modern teaching practice and methods, especially in regard with the reforms of Montenegrin curricula system in accordance to achieving EU standards in education system and introducing the lifelong education.

Directorate for Human Resource Development, as the Governmental institution is carrying out activities on providing services for current employees in public sector and public bodies, through various activities from advising and training, organizing seminars and study visits, to developing specific programs and documents. Directorate has fortified **the Program on Professional Development of Public Servants and State Employees** and in 2008/2009 has developed the **Plan of Trainings** according to the Program. Therefore, the Directorate is engaged in organizing the different trainings for the employees, for example the training on the program budget implementation.

The Program has been innovated compared to the previous one, with new modules which include items that the Directorate considers as important. The Module includes six items that should be passed as separate exams within the professional exam of public bodies functioning. There have been also organized trainings for **computer skills**, and **languages trainings** (English, French and German). The Directorate realized the good cooperation with significant number of trainers.

The Montenegrin Chamber of Commerce is giving contribution through organizing seminars, round tables and fairs. However, these seminars are more oriented towards the employers, in order to enhance their skills in attracting and keeping qualified workforce. Some of the topics covered include: Forming clusters in Montenegro, Human Resource Managing and Development, OHSAS 18001: 2007 – Systems for managing the health and safety on work places, Mobbing and protection from mobbing in Montenegro, Needs for managerial competences, The selection of candidates – a part of employment enterprises' policy, Dominant position of market participants and examples of misuses in the light of European and Montenegrin competitiveness rights, etc.

Labor Union Confederation of Montenegro (LUC), as the important public institution functioning in the field of representing employees' rights and interests, currently is taking place in engaging its representatives in various national working groups, projects and activities that are being carried out in area of human resource development. Those activities are aimed to support increase of work productivity, rising an employment rate and competitiveness of Montenegrin employers. Relating to that, within the reform of labor market and human resource development the LUC is carrying out the **IPP Project** referring to instruments for pre-access support in 2009. It includes three activities:

1. Building institutions on central level;
2. Building active measures for labor market;
3. Providing guiding and advices in the field of career development.

Since the network of informing and professional advising centers is limited on central and southern regions, those activities within the stated component will focus on providing services in the **Northern Montenegro**. Along with that, one of the activities will be opening the CIPS in the northern part of the country. Realization of this project is expected in the second half of 2009. Besides that, the LUC is carrying out the project on developing **the National Classification of Occupations**, towards creating the national classification of occupations that would present the actual labor market structure and in accordance with EU standards.

The Center for Vocational Education (CVE) is the Governmental key institution in the field of conducting activities on developing professional education and education of adults, gathering data on labor market needs from institutions belonging to social partnership. The CVE analyzes such data and in accordance with gained derived results it organizes certain activities. On the basis of the Law on Adults Education, the CVE is engaged in preparing Plan on Adults Education for the four years period, with representatives of social partnership institutions. The Plan is based on **The Strategy on Adults Education for the period of 2005 to 2015**, and the Plan is being elaborated in detail for each year separately, by municipalities, with respect to labor market requirements, while paying more attention to employees' development. For the purposes of realization of goals of the Strategy and the Plan on Adults Education, it has been prepared the **Program of Human Resource Qualification**. Besides those activities, the Center is involved in conducting activities on promoting the lifelong education, above all, through the **Festival on Adults' Education**.

The special attention of the institution is paid to developing, creating and adjusting educational programs to persons with special needs in education and learning, in order to successfully involve and keep them in working activity.

The role of **University of Montenegro** related to workforce development initiatives is limited due to their inflexibility to change the curriculums in adjust it to the market needs. However, significant changes are made especially at those university units that are training the students to get involved in tourism industry. The good example is adopting the Bologna Declaration, including the program of Master study.

The general organizational structure of Montenegrin University is like to most European Universities. It is consisted of faculties, institutes and colleges, also of logistic centers. Directly, or through its units, it has cooperation with many native and foreign science and educational institutions. Cooperation with the abroad is being realized through international university units and networks, also on bilateral basis.

GOVERNMENTAL PROJECTS AND ACTIVITIES IN COOPERATION WITH INTERNATIONAL SUPPORTING ORGANIZATIONS

In terms of the initiatives and projects undertaken primarily by international organizations, in 2008 GTZ organized workshop called **Preparing the Youth Transition in West Balkan World of Work**, within the process of improving the professional orientation and advising. Besides that, since 2006, the VET project (Vocational Education Training) had been conducting under patronage of this organization. In cooperation with the Ministry of Science and Education and the Center for Vocational Education, GTZ organized the first workshop for professors and teachers for the occupation of auto-mechanic in the High Mixed School in Tivat, with the aim of improving the skills of teachers. Also in 2008, in the scope of the project on improving the employment through vocational education, the seminar was organized in Pljevlja entitled **Providing Quality Activities Course**, with the specific retrospect on improving the quality in high vocational schools. It has also been organized the four days seminar, called the Modern Educative Equipment: use of Festo Fluid Sim software in educational system, oriented to activities of hydraulic.

The aim of trainings organized by CVE and GTZ is focused on introducing new concepts and approaches in the vocational educational system, which purpose is to actively involve pupils at the first place, and to strengthen their self responsibility, in order to make the learning process more attractive and effective, and the overall educational system make more modern one.

The next phase of training and qualification the educational cadres is planned for the beginning of 2009, within the project of the Vocational Education Reform and Training in the Course of Improving Employment. Related to that, the craft-workshop in the High Vocational School in Niksic has been initiated.

PRIVATE INITIATIVES

There are several organizations with some initiatives in the area of workforce development in the private sector as well. Some of them are mainly focused on changing the regulation to make the labor market more flexible, while the others are involved in organizing particular trainings.

Montenegro Chamber of Skilled Crafts and Entrepreneurship is an umbrella organization of the middle-class businesses and represents interests of small and medium sized enterprises and their associations, and company members before the policy, government and the public. It advocates interests such as: their position within the economy, regional development, educational policy, future technologies, regional and European markets. Also, it is focused on services and provision of support to companies.

Another institution giving effort towards improving workforce in Montenegro is the **Hotel Educational Center (HEC) in Milocer**. The main occupation of this institution is training young high school students in catering and tourism. For a several years already, after finishing the vocational high school, students attend trainings in the field of catering (cook, waiter, butcher, bartender, pastry cook, pizza-master, baker, bartender, receptionist, animator, chambermaid, and training for wellness center staff, etc). The company has the contractual cooperation with the Employment Agency, whereas in that way it assists in programs of additional qualifications and prequalification and motivating personnel in establishing their own business. Training is being held both in Budva, and other Montenegrin municipalities. HEC is conceptualized as a College. The main idea of HEC is developing the catering culture in Montenegro and raising the profession of catering on higher level, promotion of EU standards and affirmation of young Montenegrin workers who will be competitive on all markets by its expertise. Besides the theoretical education, the attendees of the school have a possibility of acquiring the practical experience with help of leading domestic and international experts in the field of hotel industry and catering. Both theoretical and practical education are organized in accordance with the highest international standards, in order to provide attendees with qualitative training that will enable readily employment in every part of the country and worldwide. The teaching center exists for some ten years now, and they possess the license issued by Montenegrin Ministry of Education and Science. The training lasts three months and imply knowledge acquirement, both from professional matters, followed with practical trainings, and from additional courses as foreign languages, informatics and behavior culture.

Business Start-up Center (BSC) Bar is engaged in providing support to young entrepreneurs up to 35 years old while establishing their small and medium size enterprises. BSC Bar provides individual advising services, free charge registration, micro-credits, also the business incubator [space and support to new founded enterprises](#) through competitions for the best business plan. In that way this organization is improving capacity of local partner institutions, providing them assistance throughout development phase and phase of introducing new and innovative management and IT solutions.

The Career Team is private employment agency aiming to connect job providers and job seekers. The company initiated and organized five Human resource Fairs in Montenegro, and participated in organizing the first Montenegrin Employment Fair, called "Career Team preko veze", as the upgrade of previous ones. The goal of Montenegrin Employment Fair is to impede the personnel outflow.

The first Montenegrin Employment Fair was held with the primary goal of centralizing the workforce supply and demand in Montenegro, no matter of the qualification level and educational profile, with the stress on deficiency occupations. Such project is intended to working efficient citizens that have chance to access to number of open working positions in a single place, but also to employers that are enabled to directly interview potential candidates and to put in their CVs in databases.

Montenegro Business Alliance (MBA) is a recognized business association gathering entrepreneurs, domestic and foreign investors. Since its foundation, MBA keeps its orientation on private sector development and points out on problems in present legislative, with intention to contribute to removal of current barriers and improving the overall business ambient in Montenegro, by offering proposals and policy recommendations. Montenegro Business Alliance is gathering over 500 most successful enterprises throughout Montenegro. Its mission is to provide a higher private sector impact on decision makers, to lobby for MBA members' interests, to provide full contribution in creating better conditions for doing business in Montenegro, to bear a share in employment and welfare increasing. MBA is building strategic partnerships with all those who want to take a part in developing faster growth and prosperity in Montenegrin economy.

The Employers Union of Montenegro carried out the researches and analysis addressing the issue of training needs in small and medium size enterprises (Training Needs Assessment). Montenegrin employers have undertaken the first steps to TNA systematic development, as the part of driver strength of progress. Such the initiative was undertaken in order to provide that national program driven by the needs. The Employers Union carried out number of local TNA inquires aiming to define relevance of collected data. The organization carried out the project "Stop grey economy, illegal working".

Within the spectral of private sector activities there are present two private university units: Mediterranean University and UDG (University of Donja Gorica). Both of them provide modern students program, which offer them chances and opportunities for choosing the study program, advancement, connection with local and international employers and accredited diplomas.

Mediterranean University is the first private university in Montenegro, and represents the accredited and licensed institution which provides acquirement of academic degrees from the area of tourism, hotel industry, informatics technologies, business studies, visual arts, law and foreign languages. All programs are adjusted to Bologna Declaration spirit and system, and reflect the requirement for development in Montenegro.

Accepting the EU standards in education and scientific-research work, the faculty actively takes part in overall cultural and economic development of Montenegro. The university cooperates with number of international Higher Degree Institutions. The University is organizing the postgraduate studies in the field of tourism on the Faculty of Tourism in Bar. The mission of University is to provide functional synthesis of innovative and traditional education, giving students the opportunity of achieving functional knowledge and degrees of new time, with a sign of global and multidiscipline access to social process. In such a direction, the University is preparing future leaders that will lead their companies and organizations and successfully manage the changing. The vision of the University is focused on the modernizing the educational environment and raising scientific and researching standards.

UDG (University of Donja Gorica) is also private university established in 2007. It includes four university units: Faculty for International Economy, Finance and Business, Faculty of Law, Faculty for Informatics and Technologies and Faculty for Human Studies. The general idea refers to finding the possible way of stimulating the indisputably talented and intelligent young people form Montenegro to develop felling for the life. How to help them to get free from many bias and values of the surrounding that disturb them in the global trend, how to help

them to be more brave to bring decisions and look for new solutions and be innovative, and how to help them to develop the moral norms that are searching for business success.

The emphasis is on respect on Montenegrin cultural specifics, also the psychological profile of people in Montenegro. The strategic educational goal of students is enhancing the knowledge quality and raising the international image. The faculty is open for cooperation with young co-operators from Montenegro, also with young and successful people from this area that are living and working abroad. The faculty already has the cooperation with recognized companies from the world, region and Montenegro. The students have the summer practice in the country and abroad.

OVERVIEW OF ADOPTED OFFICIAL DOCUMENTS DEALING WITH WORKFORCE DEVELOPMENT

The Government in the previous period adopted two general documents which are set out in the following:

I. The National Employment Action Plan

The National Action Plan on Employment is the operating plan that range over the period of 2008 to 2009. It includes defined activities (legal amends, programs, projects and their corresponding budgets), that are planned in aim of implementing measures provided by the National Strategy on Employment and Human Resources Development for the period of 2007 to 2011.

The general indicators of the success which should be realized till 2011, according to the Strategy are:

The employment rate at least of 60%; The employment rate of women at least of 50%; The employment rate of older employees at least of 32%; The unemployment rate at least of 10%; Providing possibilities for the new beginning to every unemployed in the form of qualifying, prequalification, working practice, business or other measures for adults employment, in a combination with continual progression in searching for the job; Involving 50% of long-term unemployed persons in active measures in the form of qualifying, prequalification, working practice, business or other measures for adults employment, in a combination with continual progression in searching for the job; Increasing the percentage of 22 years old with finished for grades High School; Decreasing of the rate of those that early leave the system of ordinary schooling; The level of the whole life education will represent 10% of working active population; Providing the caring to the 1 to 3 years old children, and to the children from 3 to 5 years old, for at least of 30% pre-school children.

The body for developing the activities defined in the Action Plan includes all **three priorities** (constructive elements): Increasing the employment and decreasing the unemployment; Increase the productivity and operating quality; enhancing the social cohesion.

Measures and activities planned in the scope of this priority are directed to the social categories that are facing with special difficulties while entering on the labor market, and that require a special attention. The Action Plan should provide that Montenegro fulfills achieve in the area of opening new working places, competitiveness and social cohesion, in the process in which the economic, employing and social policies will sustain each other. Its aim is realizing the broader employment, providing working relations adequate for employing and decreasing the structural unemployment. In accordance with integrated EU directives, the activities are concentrated on animating a higher number of people to get a job and keep it, enhancing the workforce supply, improving the employees and enterprises' adaptability and enlarging the investing in human capital through the better employment and skills.

2. The National Strategy on Employment and Human Resource Development

The General goal of the National Strategy on Employment and Humans Resource Development for the period of 2007 to 2011, is to increase the level and quality of employment in Montenegro. The stated goal will be realized by improving the conditions for opening the new working places and stimulating the investing in human resource development. The Strategy represents a direct sequent and an update of the National Strategy on Employment that was adopted by the Montenegrin Government in the first quarter in 2007. The Strategy is updated with consistent respect of provisions of the Agreement on Stability and Association that refer to preparations for Montenegrin participation in integrated socio-economic policies of EU and adopting the newest EU directions for employment in 2005.

The Strategy emphasizes stimulating of the human resource development, with regard to the competitiveness advantages of the national economy depends more and more on investing in human resources.

The Strategic Priorities are: increasing the economic growth, with sufficient number of working places and higher employment rate; a better and on time assistance regarding the youth and long-term unemployment, protecting employees rights, decrease of informal economy and investing in workforce quality, stimulating long term investing in human resource development and their qualifications, improving system of advising and pre-qualifications, regulating lay system of off pays that are on the expense of employers, adjusting gap between education supply and labor market demand; increasing economic activeness of women, improving status of RAE population, improving quality of life on the North regarding employment and poverty.

CONTACTS OF RELEVANT INSTITUTIONS AND AUTHORITIES

Ministry of Health, Labor and Social Welfare

Contact person: Dženana Šćekić

Address: Rimski trg 46 20000 Podgorica

Tel: +382 20 242-276

e-mail: dzenana.scekic@gov.me

The Employment Bureau

Contact person: Mira Cerović

Tel: +382 67 246 678

Address: St Novaka Miloseva 20000 Podgorica

e-mail: mirac@mn.yu

The Ministry of Education and Science

Contact person: Marko Jokic

Address: Rimski trg bb, 20000 Podgorica

Tel: + 382 20 405 301

e-mail: mpin@cg.yu

The Directorate for Human Resource Management

Contact persons: Sonja Vojinović (Sector for training and human resource development)

Tatjana Vukčević

Address: St Jovana Tomasevica bb, 20000 Podgorica

Tel: +382 20 201-036

e-mail: tatjana.vukcevic@uzk.cg.yu

The Chamber of Commerce

Address: St Novaka Miloseva 29-II
Tel: +382 20 230 545
e-mail: pkcg@cg.yu

University of Montenegro

Address: St Dzordza Vasingtona bb 20000 Podgorica
Tel: + 382 20 241 777, 241 888
e-mail: rektor@cg.ac.yu

The Center for Vocational Education

Contact person: Gordana Jelić
Address: St Vaka Djurovica bb
Tel: +382 020 664.785 +382 020 664 117
e-mail: gocajelic1983@yahoo.com, csoboskovic@mn.yu, csogaric@mn.yu

The Labor Union Confederation

Contact person: Ljiljana Prelević
Address: St Novaka Miloseva 29-I
Tel: + 382 20 230 547 230 713
e-mail: sscg.kabinet@cg.yu

Craft-Entrepreneur Chamber

Contact person: Boris Mardjonovic
Address: St Njegoseva 45 (Business Centar Petrovic)
Tel: +382 20 667 810
e-mail: zanatski.biro@t-com.me

Hotel Educational Center Milocer

Contact person: Anita Mitrovic
Address: Hotel Residence Milocer 20000 Podgorica
Tel: +382 33 427 100
e-mail: reservations@hecmontenegro.com

BSC (Business Start-up Center) Bar

Contact person: Radovan Orlandić
Address: St Vladimira Rolovica 15/3 85000 Bar
Tel/Fax: +382 30 313 712
e-mail: rorlandic@bscbar.org

Career Team

Contact person: Vedran Roćenović
Address: St Dalmatinska 100A 20000 Podgorica
Tel: +382 20 265 058
e-mail: n/a

Montenegro Business Alliance (MBA)

Contact person: Darko Konjević
Address: St Kralja Nikole 27 A/4 20000 Podgorica
Tel/fax: + 382 020 622 728 622 738
e-mail: mba@cg.yu

The Montenegrin Union of Employers

Contact person: Zvezdana Oluić
Address: St Crnogorske brigade 11 20000 Podgorica
Tel: + 382 20 209 250

e-mail: upcg@cg.yu

Mediterranean University

Contact person: Vladimir Markovic

Address: St Vaka Djurovica bb 20000 Podgorica

Tel: + 382 20 409 200 409 200

e-mail: office@unimediteran.net

UDG

Contact person: Sandra Tinaj

Address: Donja Gorica 20000 Podgorica

Tel: + 382 20 410 777 410766

e-mail: ugd@t-com.me

RELEVANT USED LITERATURE

National Strategy on Employment and Human Resource Development

Human Resource Strategy for the Tourism Sector in Montenegro

Lifelong Education Program

The Strategy for Sustainable Education Development

National Employment Action Plan

Analysis on Deficiency Occupations in Montenegro, Employment Agency of Montenegro