

GUARANTEEING A TRADE UNION VOICE IN THE YOUTH GUARANTEE PROCESS IN THE WESTERN BALKAN COUNTRIES

MONTENEGRO



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Guaranteeing a trade union voice in the Youth Guarantee process in the western Balkan countries

Country report **Montenegro**



December 2023



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MONTENEGRO



The situation of youth at work in the country

1

The situation of youth at work in Montenegro is characterised by high youth unemployment as well as a high level of precarious youth employment.

Key youth employment situation indicators for the country, other region's countries and EU27 average are provided in Annex 1, based on the official comparative statistics available in Eurostat¹ and the Eurofound's Working Conditions Survey.²

The rate of youth unemployment is very high in Montenegro and has remained very high for the past decade. In 2020 (latest data available), it was nearly 30%, almost three times above the EU27 rate of 12.4%. It is also very high compared to other countries in the region (for example, in Serbia the youth unemployment rate was 20% in 2020). Looking at the trend, the youth unemployment rate has remained high and stable over the last 10 years, from 28.8% in 2013 to 29.6% in 2020. This is opposite the trend experienced in the EU, where the rate has declined from 18.8% in 2013 to 12.4% in 2020.

The situation of youth at work in Montenegro is precarious. Only 37% of young people in 2021

reported having a standard indefinite employment contract, significantly lower than 59% young people with an indefinite employment contract in EU27. Also, young people in the country tend to work very long hours. In 2021, 36% of young people reported working 48 hours and more per week, which is significantly higher compared to 14% of young people reporting such long working hours in EU27.

The level of wages remains low, and this has been repeatedly emphasised in the consultations with the youth sections of the trade unions in the country. Whilst recent data on wages for young people is not available in the official statistics of Eurostat, survey based data from 2021 show a high level of dissatisfaction with the wages received. 34% of young people in Montenegro in 2021 stated that they do not feel they get paid appropriately, against 30% of young people stating this in EU27.

The job instability is also high for young people in Montenegro, with a third reporting in 2021 that they might lose their job in the next 6 months, compared to 17% of young people with fears of job loss in EU27. Young people also experience high levels of

¹ [Database - Youth - Eurostat \(europa.eu\)](https://ec.europa.eu/eurostat)

² [European Working Conditions Survey | European Foundation for the Improvement of Living and Working Conditions \(europa.eu\)](https://ec.europa.eu/eurofound) covers all six western Balkan countries included in this research.

discrimination at work. 20% of young people reported having experienced discrimination at work in 2021 in the previous 12 months of working. This is higher than 13% of young people reporting discrimination in EU27.

Also the access to training for young people in Montenegro remains lower compared to the EU27 average. In 2021, 37% of young people in Montenegro reported having on the job training in the past 12 months, against 54% in EU27.

Another key issue is the extent of overqualification of young people in the country. In 2020 (latest year available for the country), around 20% of young people were over qualified for the job they were working at in Montenegro. This is slightly lower than 24% overqualification rate for the EU27. However, this still indicates a structural challenge insofar as one in fifth young person in Montenegro is over qualified for their current job, indicating a waste of human capital and structural mismatches in the national labour market between the jobs offered in the economy and the level of qualification of young people.

In addition, **around a third of workers in the working age population is estimated to work in the shadow economy**, receiving either full or part of their wages in undeclared way, and thus not benefiting from the social security full coverage.³

Montenegro is also affected by the brain drain, especially amongst young people. Six countries in the western Balkans are among the top-ranked countries with the biggest brain-drain in the world. The Global Competitiveness Report developed the scale of 1 to 7 (1= all talented people leaving the country; 7= all talented people staying in the country). In this assessment, BiH scored 1.76, followed by North Macedonia (2.13) and Serbia (2.31).⁴ In the last three decades, due to the emigration, Serbia has lost 9 percent of its citizens, North Macedonia 10 percent, Bosnia and Herzegovina 24 percent, and Albania 37 percent.⁵ Mostly young, educated, and skilled people who decided to leave their country due to poor democratic and economic



³ Williams C and Katnic M (2018) Recommendations for Tackling Undeclared Work in Montenegro, a Report for Regional Cooperation Council, ([PDF Diagnostic Report on Undeclared Work in Montenegro: Draft Report | Colin Williams - Academia.edu](#), accessed 5 December 2023, p. 4.

⁴ [Focus Article Brain drain_Sept2020.pdf \(wbc-rti.info\)](#)

⁵ [Toward a New Youth Brain-drain Paradigm in the Western Balkans | German Marshall Fund of the United States \(gmfus.org\)](#)

conditions and low quality of life. Some estimates show that the region will lose around 1 million youth in the forthcoming decade.⁶

This translates into negative labour market outcomes for young people in Montenegro. The rate of young people neither in education, employment or training (NEET rate) was very high at 34% in 2020 (last year for which data is available). This is double the 17% NEET rate in EU27. Also the trend is negative, with the NEET rate remaining stable in the country since 2013, indicating a lack of progress addressing the NEET issue. In addition, the rate of young people at risk of poverty and social exclusion is also very high, with 37% of young people in this situation in 2022. This is significantly higher compared to 24.7% of young people

at risk of poverty and social exclusion in EU27 in 2022. Alarming, the rate in Montenegro has been stable since 2013, indicating similarly a lack of progress in tackling youth poverty and social exclusion.

Moreover, **young people bore the brunt of the massive economic consequences of the COVID-19 pandemic.** In the Western Balkans, the loss of employment and the rise in inactivity has not – in general – been offset by a return to education. NEET rates in the Western Balkan economies remained above the pre-crisis level, although in some cases they declined from their peak. In Montenegro, for instance, four out of five young people who lost their job became inactive rather than unemployed, but did not go back to education.⁷

⁶ Friedrich-Ebert-Stiftung, FES Youth Studies Southeast Europe 2018/2019.

⁷ [News, articles and events on youth employment \(Youth Employment\) \(ilo.org\)](#)

The national policies on youth employment in the country

2

In Montenegro, there is an overarching national strategy on youth. Previously, Montenegro has had a National Youth Strategy 2017-2021.⁸ The strategy was prepared by the Directorate for Youth and Sports (now Ministry of Sports and Youth) and adopted by the Government of Montenegro in September 2016. The strategy aimed to define key priorities and support systems for young people in Montenegro. Recently, the national government adopted the Youth Strategy for the period 2023-2027 with an Action Plan for 2023-2024.⁹ The strategy has four key operational goals, including on youth employment:

- ▶ developing a sustainable and high-quality system of services and programs to support youth in their transition to adulthood;
- ▶ facilitating youth engagement in shaping and implementing public policies;
- ▶ enhancing interdepartmental contributions to improve the overall status of youth, and;
- ▶ improving the mechanisms for effective youth policy creation, implementation, monitoring, and evaluation.

The national government and the national Public Employment Service has been implementing specific employment measures targeting youth. They include support to job search, advice, guidance, counselling, subsidised employment, support to training and re-training and support for youth entrepreneurship and others.

ILO supported a number of research assessments to investigate the impact of several youth employment measures in Montenegro.

A recent evaluation of dual vocational education and training showed a success of this approach to supporting positive youth employment outcomes.¹⁰

The ILO sponsored evaluation investigated whether increasing the share of company-based learning in Vocational Education and Training (VET) yields much learning effects than school-based training only. A recent evaluation of Dual VET in Montenegro by ILO and the European Training Foundation (ETF) showed the following results. Almost 60% of dual TVET students found a work after graduation while the placement rate under the traditional school based system is around an estimated 30%.

⁸ [Youth Strategy 2017-2021 | United Nations in Montenegro](#)

⁹ [Cabinet adopts Youth Strategy 2023-2027 \(www.gov.me\)](http://www.gov.me)

¹⁰ [Skills development: Making Dual VET work: Lessons learnt from Montenegro \(ilo.org\)](#)

Montenegro is the first country in the Western Balkans to nationally roll-out Dual VET. In 2017, a Dual Track was introduced in the 3-year VET training (in parallel to the existing school-based track) track. Dual VET proved to be popular among employers and young people. The total enrolments started with 277 students in 2017/2018. In 2019/2020, 848 students were trained with 280 employers in 20 different occupations, e.g. chef, waiter, mechanic, electrician, salesperson, hairdresser, sanitary equipment and heating / air-conditioning fitter. Overall 56% of Dual VET students of the first two academic years (2017/2018 and 2018/2019) found employment after graduation, as compared to 30% of students from school-based VET³. During the evaluation, 88% of the employers indicated they planned to recruit the students currently in training. Companies confirmed that Dual VET is effective for transferring the skills needed in the occupation as they reported that dual VET students perform better than students in the school-based VET track (who do several weeks of internship per year, but acquire most of their practical skills at the VET school).

The second measure assessed by ILO relates to the placements for young graduates in the selected public institutions (the so-called Stop the grey economy measure). The goal of the programme is to improve the competences of young unemployed people in selected occupations. They are placed in the Tax Administration, the Directorate for Inspection Affairs, and the Police Directorate for a period of seven months, helping government institutions to fight the informal economy. The net monthly compensation for programme participants is about 300 euros (€). The programme targets young unemployed people up to 30 years of age with prior work experience at the level of education, the shortest duration being nine months. At the end of the programme, participants receive a certificate of competency. The ILO

evaluation showed 75% employment rate afterwards, one of the key successes in the active labour policies.¹¹ This outcome was much more positive compared to other the average gross and net employment outcomes of participants in the programmes under review, which were around 40%. Of particular concern is the lack of effectiveness of training programmes, whose employment rates at follow-up are extremely low and point to fundamental design flaws.

The final measure assessed in Montenegro was a large internship programme for university graduates.¹² For 10 years, the national government has invested up to EUR 8 million per year (0.2% GDP) for a large internship programme for university graduates. 9 out of 10 youth graduating each year from the universities participated in the programme. The design of the programme involved a paid internship in the public or private sector for a duration of 9 months and receiving a monthly financial compensation equal to 50 per cent of the average net wage of the country. Whilst no taxes or social security contributions were payable, the interns were covered by the health insurance.

Evaluation showed no direct gains from the programme in terms of main labour market outcomes. According to the evaluation, the improvements in the labour market situation of university graduates during the period under observation should be ascribed to factors other than the internship programme. Still, there were positive soft outcomes noted. The participants showed high levels of satisfaction with the programme and consider it useful for their professional advancement. Internships provided a relatively high income support, as well as a sense of security and societal attention important for young people at the sensitive start of their working careers in a challenging labour market.

¹¹ [wcms_842081.pdf \(ilo.org\)](#)

¹² [Impact evaluation of the Professional Training for Graduates \(PTG\) programme of Montenegro \(ilo.org\)](#)

Trade unions and youth employment in the country

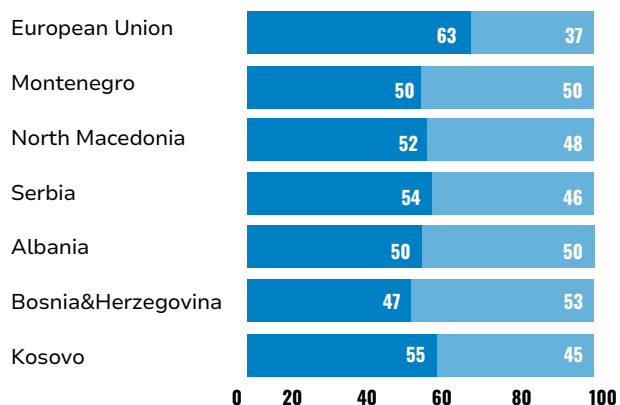
3

Whilst some young people know about the trade unions in their workplaces, the involvement of trade unions at the workplaces could be further enhanced. As shown below, 50% of young people in 2021 in Montenegro reported that their organisation had a trade union, works council or a similar structure representing the employees. The proportion for EU27 was higher, with 63% young people reporting this.

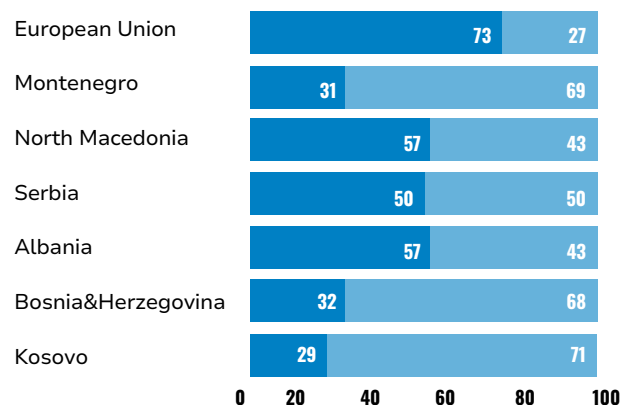
Especially low is the presence of health and safety delegate or committee in the workplaces, a key factor in supporting effective occupational health and safety at work for young people entering their working careers. Only 31% of young people in 2021 in Montenegro reported this, against 73% of young people reporting a health and safety delegate or committee in EU27.

FIGURE 1 THE PRESENCE OF TRADE UNIONS IN THE WORKPLACES OF YOUNG PEOPLE, 2021

● Does your organisation have a trade union, works council or similar committee representing employees?



● Does your organisation have a health and safety delegate or committee?



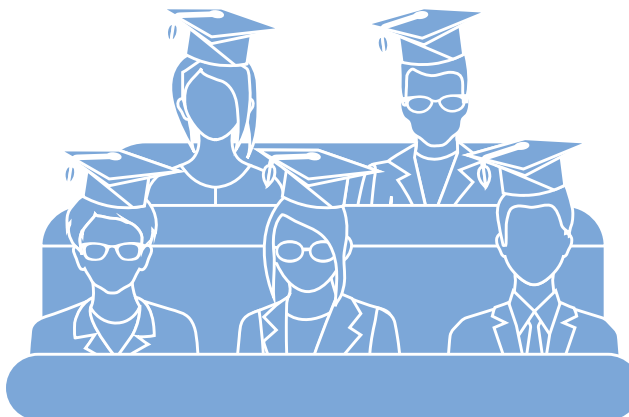
Source: Respondents under 35, European Working Conditions Survey, 2021, Eurofound, accessed 21 November 2023.

[European Working Conditions Survey](#) | [European Foundation for the Improvement of Living and Working Conditions \(europa.eu\)](#)

The second area of improvement relates to how the government consults with the trade unions in general and youth sections in particular on developing the youth employment measures and approaches. As highlighted in the consultations with the youth sections in the trade unions, such consultation is formal and “on paper”. Overall, the formal process is followed (e.g. tripartite bodies meet, trade unions are sent the government policy documents in advance). In practice, however, there is little or no genuine joint consultation, as documents containing policy proposals are sent with short notice to provide a considered response. Often the final shape of policy proposals is provided, with few possibilities for youth sections to provide inputs or suggest changes or concrete ideas for improvements. When tripartite meetings take place, they are used to approve the finalised documents, as opposed to being places for debates, exchanges or shaping the emerging policies on youth employment.

Thus, according to the feedback from trade unions interviewed in Montenegro, many measures aimed at youth employment remain on paper and are not implemented due to the lack of funds. Moreover, many measures are not known to young people who tend to mistrust state institutions. Also, trade unions are rarely consulted on the measures.

A recent exception to this trend has been the development of a draft plan for the national Youth Guarantee in Montenegro, which has started in 2021 and has been submitted to the European Commission in late 2023. The preparation of the Plan for the national Youth Guarantee has involved the trade union youth section representatives, who have been periodically



involved in the discussions and shaping of the national Youth Guarantee approach. The experience showed to the youth sections the need for significant capacity building to be able to provide robust and targeted inputs into the development of youth employment measures. Still, trade unions interviewed in this research expressed concerns over the emphasis on the quantity of offers in the context of the Youth Guarantee, as opposed to the quality of offers to the young people. This remains the key concern for the trade unions in the future.

Finally, the interviews with the youth sections in the trade unions in the country also highlighted the need to further engage with the young people. In the country, many young people do not have basic information about their labour rights and trade union, including a lack of basic understanding of what an employment contract is, or the benefits of becoming a member of the trade union. In this respect, trade unions are trying to organise the youth and spread information about the labour rights and trade unions amongst the young people in Montenegro. This is done through social media channels, traditional publications, grassroots activities, organising seminars and trainings, as well as involving regular information work in schools and universities to reach out to young people.

The EU initiatives for youth employment in the country

4

At the policy level, there is a strategic commitment to support youth employment in the western Balkan region. In particular, in the second EU-Western Balkans Ministerial Meeting on Employment and Social Affairs on 8 July 2021, the national ministers for employment endorsed a “Declaration on ensuring sustainable labour market integration of young people”¹³ where they committed to



„Resolve to set up inter-sectoral task forces involving relevant bodies, agencies and stakeholders, including the social partners, youth organisations and other non-governmental organisations, and to develop or update, respectively, Youth Guarantee Implementation Plans by June 2022”

The key policy commitment from the EU side has been the support to the implementation of the Youth Guarantee in the western Balkan region, including Montenegro. A youth guarantee is a commitment adopted in the EU since 2013 to support every young person under the age of 30 who is not employed, in education or training (so-called NEETs) to receive a good quality offer of employment, traineeship, apprenticeship, or continued education within four months of leaving school or becoming unemployed.¹⁴

The EU’s Economic and Investment Plan for the Western Balkans is the main EU policy response in the region and was adopted in 2020. The Plan refers to investments on Youth Guarantee measures and the capacity building of social partners and further enhancement of the social dialogue.¹⁵ The Youth Guarantee for the western Balkans is one of the 10 flagship measures, to be introduced in four phases. Overall, the Plan envisages up to €30 billion in investments, including up to €9 billion of EU grant funding for all 10 flagship measures. No specific funding is allocated for individual flagship measures.

¹³ [ESAP2 | Western Balkans Declaration on ensuring sustainable labour market integration of young people](#)

¹⁴ [The reinforced Youth Guarantee - Employment, Social Affairs & Inclusion - European Commission \(europa.eu\)](#)

¹⁵ [European Commission launched an additional €2.1 billion investment package for the Western Balkans under the Economic and Investment Plan \(europa.eu\)](#)

Since 2021, the European Commission provided support the national institutions responsible for youth employment policy in the Western Balkans in introducing a youth guarantee (YG). On 14 October 2021, the European Commission, together with the International Labour Organization (ILO) and the European Training Foundation (ETF), and representatives from the Western Balkans launched the preparation of Youth Guarantee (YG) Implementation Plans (YGIPs) and the Technical Assistance Facility (TAF) to support this process. The declaration also recognised the importance of involving

international partners and donors in the process to ensure effective coordination of cooperation efforts. Under the Technical Assistance Facility (TAF), the relevant authorities and stakeholders from the Western Balkans will receive support from the ILO and the ETF for designing Youth Guarantee schemes.¹⁶

As detailed above, the national Youth Guarantee Plan for Montenegro has been drafted and submitted to the European Commission in 2023. It has not been made public at the time of writing this report.



¹⁶ [Bolstering the resilience of youth in the Western Balkans | ETF \(europa.eu\)](#)

Key policy pointers

5

RESEARCH FINDINGS POINT TO THE FOLLOWING ACTIONS TO FURTHER SUPPORT QUALITY JOBS FOR YOUTH

From the perspective of the national government, it should:



▶ Develop a comprehensive strategy for addressing youth quality jobs;



▶ Improve the information and implementation (the quality of offers, outreach and outcomes) under the existing national measures;



▶ Make good use of funds available under the EU funds for supporting youth quality jobs.

The pointers for trade unions themselves are as follows:



▶ Engage more with young people and make their voices heard;



▶ Trade union activists can network and exchange more across the region and with ETUC youth sections in EU27.

Annex 1

Key statistics – youth employment situation in the western Balkan region

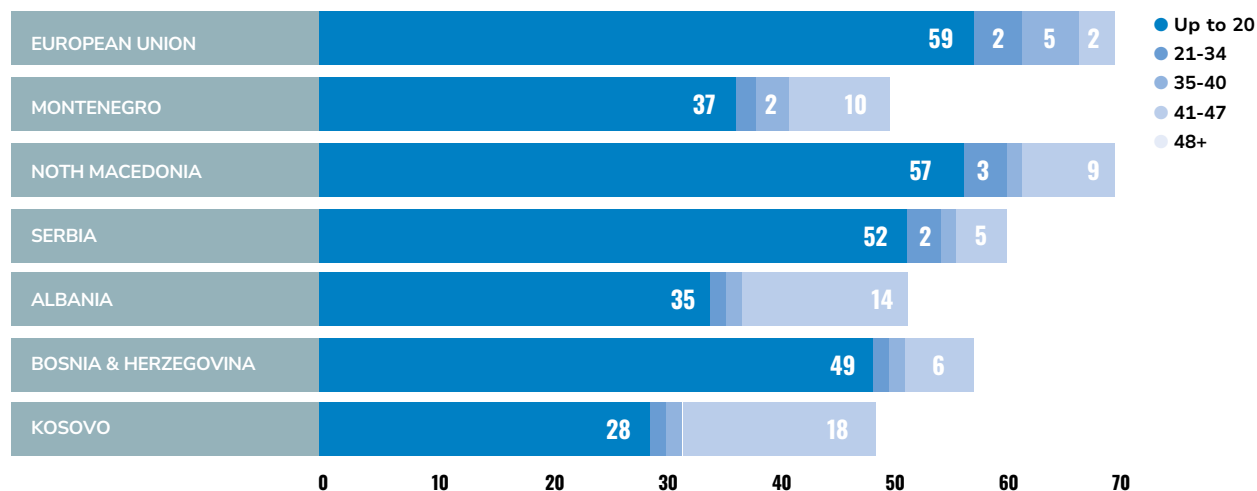
TABLE 1 YOUTH UNEMPLOYMENT RATE, AGE GROUP 20-29

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
EU27	18.8	17.9	16.4	14.9	13.3	12.0	11.1	12.4	12.0	10.2
Montenegro	28.8	29.1	27.5	27.0	25.8	25.8	22.3	29.6	:	:
North Macedonia	44.1	43.7	42.3	39.2	37.9	35.5	30.1	28.6	:	:
Serbia	39.7	35.6	33.2	28.9	25.3	23.3	20.2	19.1	18.7	15.4

Source: Eurostat, Youth unemployment by sex, age and educational attainment level [yth_empL_090\$defaultview], accessed 21 November 2023. [Database - Youth - Eurostat \(europa.eu\)](https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&plugin=1)

FIGURE 2 TYPES OF EMPLOYMENT HELD BY YOUNG PEOPLE, 2021

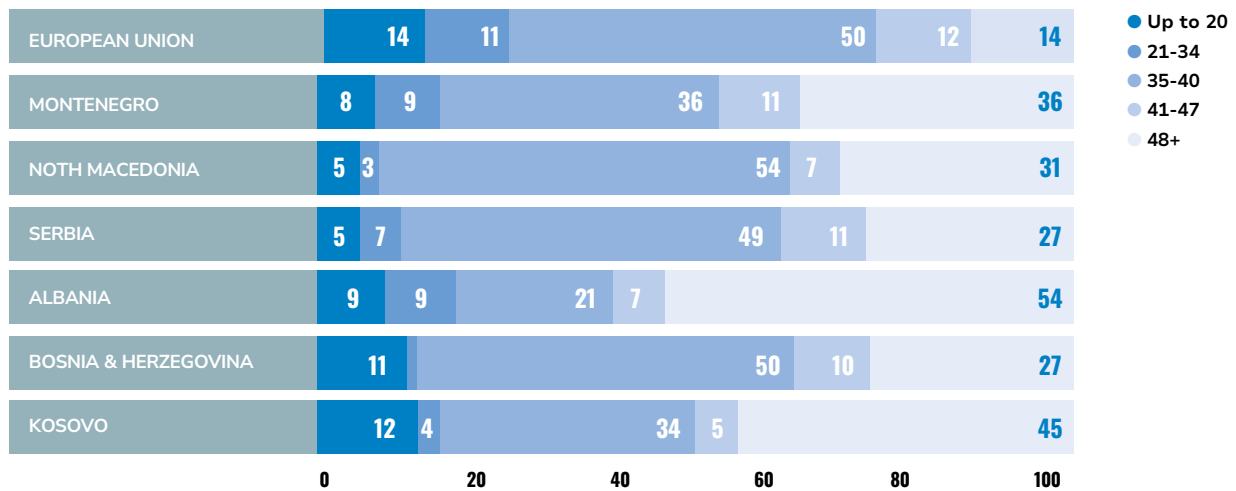
● What kind of employment contract do you have in your main paid job?



Source: Respondents under 35, European Working Conditions Survey, 2021, Eurofound, accessed 21 November 2023. [European Working Conditions Survey | European Foundation for the Improvement of Living and Working Conditions \(europa.eu\)](https://ec.europa.eu/eurofound/en/press-room/2022/01/20220114-ewcs-2021/)

FIGURE 3 THE NUMBER OF WEEKLY WORKING HOURS BY YOUNG PEOPLE, 2021

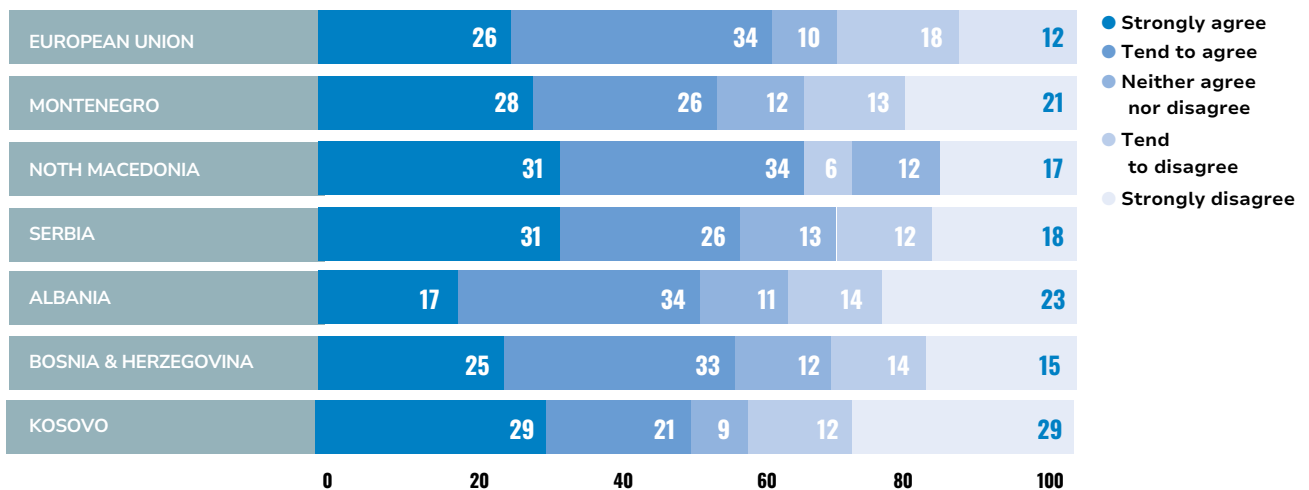
● How many hours per week do you usually work



Source: Respondents under 35, European Working Conditions Survey, 2021, Eurofound, accessed 21 November 2023. [European Working Conditions Survey | European Foundation for the Improvement of Living and Working Conditions \(europa.eu\)](#)

FIGURE 4 LEVEL OF SATISFACTION WITH THE CURRENT WAGES BY YOUNG PEOPLE, 2021

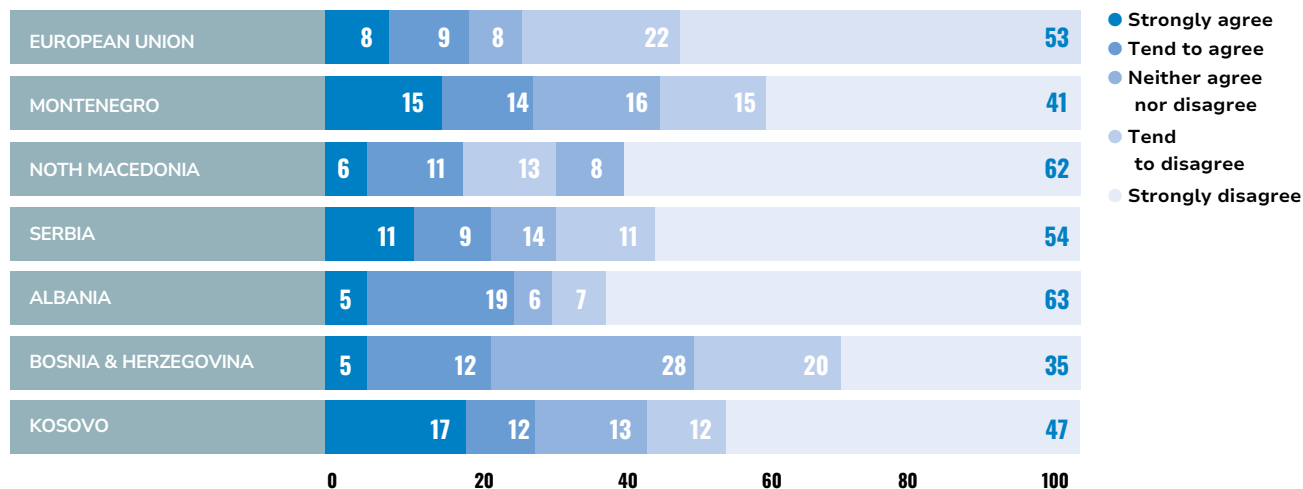
● Considering all my effort and achievements, I feel I get paid appropriately



Source: Respondents under 35, European Working Conditions Survey, 2021, Eurofound, accessed 21 November 2023. [European Working Conditions Survey | European Foundation for the Improvement of Living and Working Conditions \(europa.eu\)](#)

FIGURE 5 THE LEVEL OF JOB STABILITY BY YOUNG PEOPLE, 2021

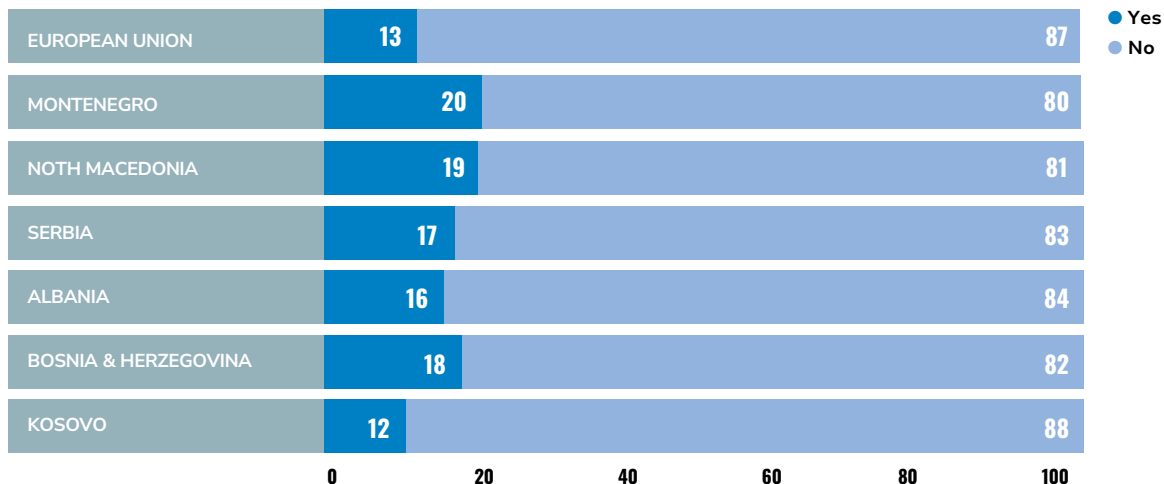
● I might lose job in the next 6 months



Source: Respondents under 35, European Working Conditions Survey, 2021, Eurofound, accessed 21 November 2023. [European Working Conditions Survey | European Foundation for the Improvement of Living and Working Conditions \(europa.eu\)](https://www.eurofound.eu/en/publications/working-conditions-survey/)

FIGURE 6 THE LEVEL OF DISCRIMINATION AT WORK BY YOUNG PEOPLE, 2021

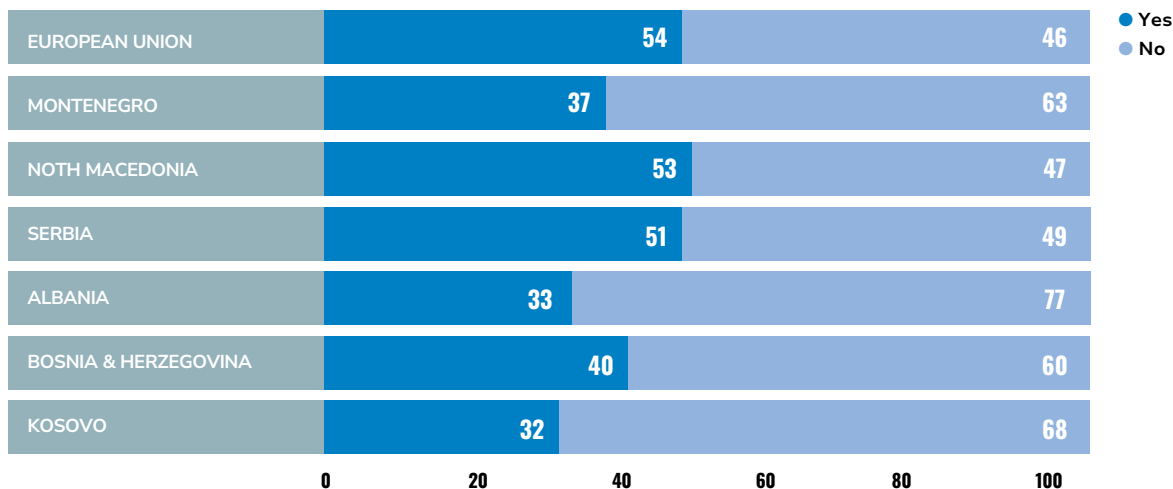
● Have you been subjected to discrimination at work in the last 12 months?



Source: Respondents under 35, European Working Conditions Survey, 2021, Eurofound, accessed 21 November 2023. [European Working Conditions Survey | European Foundation for the Improvement of Living and Working Conditions \(europa.eu\)](https://www.eurofound.eu/en/publications/working-conditions-survey/)

FIGURE 7 THE LEVEL OF TRAINING AT WORK BY YOUNG PEOPLE, 2021

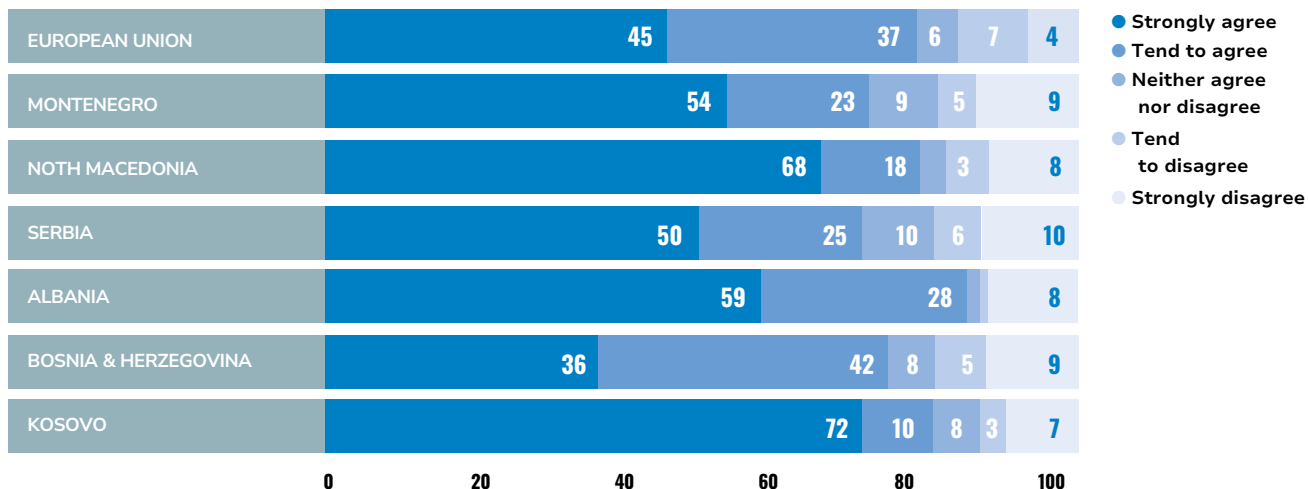
● Have you had on-the-job training in the last 12 months?



Source: Respondents under 35, European Working Conditions Survey, 2021, Eurofound, accessed 21 November 2023. [European Working Conditions Survey | European Foundation for the Improvement of Living and Working Conditions \(europa.eu\)](#)

FIGURE 8 THE LEVEL OF USING OWN SKILLS AT WORK BY YOUNG PEOPLE, 2021

● I have enough opportunities to use my knowledge and skills in my current job



Source: Respondents under 35, European Working Conditions Survey, 2021, Eurofound, accessed 21 November 2023. [European Working Conditions Survey | European Foundation for the Improvement of Living and Working Conditions \(europa.eu\)](#)

TABLE 2

PERSONS AT RISK OF POVERTY OR SOCIAL EXCLUSION (% OF AGE GROUP 20-29)

	2015	2016	2017	2018	2019	2020	2021
EU27	27.6	27.7	25.8	24.9	23.7	24.5	24.9
Montenegro	41.1	41.9	41.3	39.6	34.4	35.5	37.4
North Macedonia	36.1	33.9	32.2	32.9	31.0	29.8	:
Albania	:	:	53.4	47.7	45.5	39.8	:
Serbia	38.9	32.7	35.7	32.0	29.1	27.0	28.8

Source: Eurostat, Persons at risk of poverty or social exclusion by age and sex [ilc_peps01n_custom_8027520], accessed 21 November 2023. [Database - Youth - Eurostat \(europa.eu\)](#)

TABLE 3

NEET RATE (% OF AGE GROUP 20-34)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
EU27	20.5	20.0	19.5	18.8	17.7	17.0	16.4	17.8	16.6	15.0
Montenegro	32.1	30.5	30.6	29.2	28.2	27.5	28.8	34.0	:	:
North Macedonia	39.0	39.7	39.9	37.7	37.4	36.3	31.2	32.2	:	:
Serbia	33.1	31.4	29.8	27.2	26.1	24.1	22.7	23.8	22.1	19.2

Source: Eurostat, Young people neither in employment nor in education and training by sex, age and labour status (NEET rates) [edat_lfse_20_custom_8026264], accessed 21 November 2023. [Database - Youth - Eurostat \(europa.eu\)](#)

TABLE 4**THE LEVEL OF OVER QUALIFICATION (% OF AGE GROUP 20-34)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
EU27	26.3	27.1	26.8	26.6	26.6	26.1	25.5	24.7	24.3	24.5
Montenegro	13.9	20.9	19.8	20.9	15.9	16.4	19.3	20.8	:	:
North Macedonia	24.0	27.0	31.5	28.4	27.7	28.9	33.0	33.2	:	:
Serbia	29.0	28.9	32.9	31.0	33.5	35.6	33.3	33.8	31.0	31.3

Source: Eurostat, Young people neither in employment nor in education and training by sex, age and labour status (NEET rates) [edat_lfse_20_custom_8026264], accessed 21 November 2023. [Database - Youth - Eurostat \(europa.eu\)](https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&plugin=1)



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