



*Montenegro*

*Ministry of Labor and Social Welfare*

# OVERCOMING VULNERABILITIES, ACHIEVING SUSTAINABILITY

**Socioeconomic Vulnerabilities of Former Yugoslav  
Refugees and the Way Forward**



April 2018





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Publisher:  
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Authors:  
**Dragana Radević**  
**UNHCR Montenegro**

Edited by:  
**Sanja Marjanović**

Photography:  
**UNHCR Montenegro**  
**Ministry of Labour and Social Welfare**

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## ACRONYMS

<b>CRS</b>	Catholic Relief Services
<b>DDSME</b>	Directorate for the Development of Small and Medium-Sized Enterprises
<b>DPs</b>	Displaced Persons
<b>EAM</b>	Employment Agency of Montenegro
<b>ECTS</b>	European Credit Transfer and Accumulation System
<b>EU</b>	European Union
<b>EUD</b>	European Union Delegation
<b>EUR</b>	Euro
<b>GDP</b>	Gross Domestic Product
<b>IDF</b>	Investment and Development Fund of Montenegro
<b>IDPs</b>	Internally Displaced Persons
<b>IPA</b>	Instrument for Pre-Accession Assistance
<b>LFS</b>	Labour Force Survey
<b>MLSW</b>	Ministry of Labour and Social Welfare
<b>MoI</b>	Ministry of the Interior
<b>MONSTAT</b>	Statistical Office of Montenegro
<b>NGOs</b>	Non-Governmental Organizations
<b>Non-RE</b>	Non-Roma and Egyptians
<b>OSCE</b>	Organization for Security and Cooperation in Europe
<b>RE</b>	Roma and Egyptians
<b>RHP</b>	Regional Housing Programme
<b>SMEs</b>	Small and Medium-Sized Enterprises
<b>UNDP</b>	United Nations Programme for Development
<b>UNHCR</b>	United Nations High Commissioner for Refugees
<b>US BPRM</b>	US Bureau of Population, Refugees, and Migration

# FOREWORD



## ROBERTA MONTEVECCHI

UNHCR Representative in Montenegro

More than 26 years on from the arrival of the first group of refugees from the former Yugoslavia to Montenegro, the situation evolved considerably. Throughout this period, the authorities of Montenegro have shown strong generosity and dedication to address the plights of people uprooted by the conflicts that ravaged the Western Balkans, regardless of their ethnic and religious background, or political opinion.

The initial influx was of refugees from Croatia in 1991 and then from Bosnia and Herzegovina (BiH) starting from 1992, the same year in which UNHCR established its presence in Montenegro as part of the emergency response to help addressing the tragic humanitarian crisis which unfolded. The third wave of refugees came from Croatia in 1995, bringing the displaced population to over 30,000. In 1998/9, over 110,000 persons fled from Kosovo (SCR/1244 (1999) and found safety in Montenegro. At the peak of the crisis, one fifth of the Montenegrin population was made of refugees and IDPs.

Throughout this time, UNHCR provided humanitarian assistance to more than 120,000 refugees, addressing their immediate needs for an estimated value of 62 million USD in support to the efforts undertaken by Montenegro. The humanitarian response was integrated from an early stage with advocacy and expertise to help the country developing a legal framework in line with international refugee law, which could enable those displaced to have access to basic human rights and public services, such as health care, education, social welfare, work etc... while in exile.

Over time, the vast majority of refugees returned to their places of origin. Going back home proved to be the preferred durable solution for those who fled to Montenegro. In this endeavour, UNHCR assisted the voluntary return process of refugees from BiH, Croatia and ultimately Kosovo.

Translating into practice the “legal component” of local integration as effective solution to displacement, Montenegro has equally enabled those wishing to remain to apply for the status of foreigners with permanent residence, which is much closed to citizenship with the exception of the right to vote and access to employments in public institutions. This generous legal regime enabled some 12,500 displaced people to re-start their lives in the country.

In 2011, Bosnia and Herzegovina, Croatia, Montenegro and Serbia signed the *Joint Declaration on Ending Displacement and Ensuring Durable Solutions for Vulnerable Refugees and Internally Displaced Persons* to re-establish cooperation between the states and to promote lasting solutions for the displaced population from the 1991-1995 conflicts and Kosovo refugees from the 1999 conflict in the case of Montenegro. The commitment expressed in the declaration served to attract the last-time collective support of the international community at the Donors Conference held in Sarajevo in 2012 that enabled the launch of Regional Housing Programme (RHP) aimed at providing housing solutions to the most vulnerable people throughout the region. Thus far, in Montenegro, six RHP projects have been approved and some 480 families in 11 municipalities have been provided with decent housing conditions.

At the end of 2017, the Ministry of Interior along with the Ministry of Labour and Social Welfare with UNHCR’s support, carried out a joint field verification in 20 municipalities that enabled to identify more than 1800 people still with unresolved status issues, living in a legal limbo affecting their access to rights. While UNHCR’s regional focus is now shifting towards asylum and phasing down its direct assistance to the ex-Yugoslav refugees, the organization will continue to support Montenegro and those people displaced as a result of the conflicts in the Western Balkans to go through the necessary administrative and legal procedures here and in the countries of origin to obtain the necessary documentation required to regulate their stay in Montenegro.

Yet, while most of the displaced in Montenegro have now a stable legal status and many among the most vulnerable could move out from collective centres and barracks to decent housing supported through the RHP and other initiatives, a significant part of them are still unable to establish a sustainable source of income and become self-reliant. Many of those falling into this category are Roma and Egyptians who arrived during the 1999 Kosovo conflict and who often live beyond the poverty line.

This study presents a comprehensive analysis of the social and economic situation of former displaced and internally displaced persons in Montenegro and sheds light on major barriers they face on the labour market, especially against the backdrop of Montenegro’s economic profile. The study also includes recommendations for improving the employability and employment prospects of all former Yugoslav refugees in Montenegro, accompanied by a set of concrete actions in the short, medium and long term.

This study is of interest to a broad range of stakeholders. It is primarily addressed to national and local authorities in Montenegro, which are the key actors for the public planning and inclusion of displaced people in public services and support schemes. It is also hoped that the study will attract the attention of international donors and financing institutions, who have so far provided invaluable support and resources to assist the former IDPs/DPs rebuild their lives in Montenegro and beyond.

UNHCR Montenegro hopes that this study will enable planners and investors to allocate resources strategically to enhance the self-reliance of displaced people living in Montenegro, with targeted interventions addressing the most vulnerable people from a socio-economic

perspective or within the broader context of area based interventions. Finally, the results of the research will certainly be beneficial to the civil society to generate ideas for future projects.

This study well complements the national *Strategy for Durable Solutions of Issues Regarding Displaced and Internally Displaced Persons in Montenegro*, with Special Emphasis on the Konik Area, 2017-9.

It also offer the first in depth analysis of the socio-economic situation and vulnerabilities of the ex-Yugoslav refugees done with the Ministry of Labour and Social Welfare, further demonstrating the commitment and dedication of the authorities of Montenegro to address durable solutions in a comprehensive manner.

UNHCR hopes this study will enable key stakeholders to further advance in the understanding of the challenges as well as actionable areas that can make a concrete difference for the lives of those people who still suffer from the consequences of the conflicts in the Wester Balkans.

*Is there a real hope to overcome the remaining vulnerabilities identified to achieve sustainability? UNHCR believes the answer is “yes”, through coordinated interventions in the short, medium and long terms to ensure no one is left behind...*

**Roberta Montevecchi**

UNHCR Representative in Montenegro

April 2018



 SUSTAINABLE DEVELOPMENT GOALS





# FOREWORD



## KEMAL PURIŠIĆ

Minister of Labour and Social Welfare

It is a known fact that after the outbreak of the conflict in the former Yugoslav republics, Montenegro received numerous persons from the areas that were affected by the war. Most of these persons returned to their homes, but about 12,500 persons remained in the country. To a large extent, these persons regulated their legal status in accordance with the Law on Foreigners, replacing their previous status of displaced persons (in the case of persons who fled the conflicts in Bosnia and Herzegovina and Croatia between 1992 and 1995) or internally displaced persons (persons displaced due to the conflict in Kosovo in the period from 1998 to 1999).

The Government of Montenegro has made significant progress in its strategic approach to resolving the issues of displaced and internally displaced persons in a lasting and sustainable manner, through local integration or voluntary return, in cooperation with the international community and in accordance with international standards.

In addition to regulating legal status, significant progress has been made on improving housing conditions. Despite the significant progress that has been achieved over time, problems related to the quality of accommodation of the formerly displaced and internally displaced persons in Montenegro continue to exist, especially for the Roma and Egyptian households (RE).

In order to define effective measures to support the improved livelihoods that will increase the economic independence of the most vulnerable formerly displaced and internally displaced persons in Montenegro, a detailed socio-economic analysis of the target population, as well as labor market analysis and the assessment of employment opportunities for identified categories of persons has been carried out in cooperation with UNHCR.

Preparation of the study: **“Overcoming Vulnerabilities, Achieving Sustainability – Socioeconomic Vulnerabilities of Former Yugoslav Refugees and the Way Forward”**, aims to present the socio-economic situation of displaced persons in Montenegro, analyze their position in the labor market and offer recommendations to improve their employability.



**Kemal Purišić**

Minister

April 2018



*Montenegro*

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*Ministry of Labor and Social Welfare*



# EXECUTIVE SUMMARY

**Montenegro became home to 12,500 displaced persons from Bosnia and Herzegovina, Croatia and Kosovo (SCR 1244/1999)...**

The break-up of the former Yugoslavia had consequences for the lives of many people. At its peak in 1999, over 120,000 displaced persons found refuge in Montenegro. While the majority returned to their homes, some 12,500 individuals remained in Montenegro. Most of them regulated their legal status by progressively obtaining the permit of foreigner with permanent residence in Montenegro, which replaced their previously granted status of displaced persons (refugees from the conflicts in Bosnia and Herzegovina and Croatia between 1992 and 1995) or internally displaced persons (persons displaced due to the conflict in Kosovo in 1998–1999).

**...who live today in all three regions of Montenegro.**

Housing conditions represent one of the most important elements influencing living standards. In spite of the substantial progress achieved over time, problems relating to the quality of accommodation persist, particularly among Roma and Egyptian (RE) households. In places such as Berane and Bar, in particular, overcrowding and a lack of indoor toilets (47.6%) are common realities among RE households. Various initiatives have been launched in order to improve the housing of former IDPs/DPs so far. The biggest initiative, still ongoing, has been the Regional Housing Programme (RHP), officially launched in 2011, aimed at providing durable housing solutions for the most vulnerable former IDPs/DPs in Bosnia and Herzegovina, Croatia, Montenegro and Serbia. By the end of 2017, the RHP had provided durable housing for 182 families (120 RE families in Podgorica and 62 RE and non-RE families in Nikšić). During 2018, 231 families will get permanent housing, of whom 51 RE families are in Podgorica. In addition, 68 elderly former IDPs/DPs will be accommodated in a retirement home constructed using RHP funds. However, adequate livelihood-related support is needed in order to ensure the success of this and similar initiatives and their long-term sustainability.

## **The socioeconomic analysis conducted ...**

In order to define effective livelihood support measures that would increase self-reliance for the most vulnerable former IDPs/DPs in Montenegro, a detailed socioeconomic analysis of the targeted population was carried out, along with a labour market analysis and assessment of the employment opportunities for identified categories of people.

The analysis portrays the population of former IDPs/DPs in Podgorica, Nikšić and Bar, reflecting the profile of almost 60% of all former IDPs/DPs residing in Montenegro (with broken down into the RE and non-RE population).

## **... confirmed that former IDPs/DPs in Montenegro belong to the category of vulnerable groups.**

After reviewing the aspects of life affecting the socioeconomic situation of an individual or a family, it can be concluded that they belong to the category of vulnerable groups (people who live in poverty, are poorly educated, long-term unemployed or employed in low-income sectors, people with poor health). While the primary causes of vulnerability may be different, they all lead to an inability or limited ability to achieve self-reliance.

## **Roma and Egyptian displaced persons are found to be the “most vulnerable” among the vulnerable groups. No education, lack of motivation and tradition-related stereotypes, significantly limit their employability prospects.**

The survey showed that in all three municipalities, RE households, especially those headed by women, are the most vulnerable.

This is particularly due to the fact that over 96% of the RE population covered by the survey, have no schooling or have only completed primary school. What is worrying is their lack of motivation to increase the education level of children and adults. This is partly explained by “tradition”, according to which education is not considered important and parents consider it more helpful for boys to start contributing to the family’s income and for girls to get married young. In addition to child labour and early marriages, the almost non-existence of opportunities for women to work only adds to the vulnerability of RE households. The breaking of tradition-related stereotypes among the RE population continues to be an issue that requires constant attention.

**The non-Roma/Egyptian (non- RE) displaced population also faces obstacles in finding jobs.**

Although non-RE former IDPs/DPs have a higher level of education than their RE counterparts (over 64% of the former have completed secondary education), a lack of employment opportunities is also a reality in the case of non-RE IDPs/DPs. The majority of them say that their health conditions and the general downward trends in the job market in Montenegro are the main causes for their unemployment. Non-RE former IDPs/DPS are on average older than the resident population (by two years).

**Only 6% of IDPs/DPs benefit from the Employment Agency of Montenegro's services.**

In general, the IDP/DP population does not avail itself of the support offered by the Employment Agency of Montenegro (EAM).

Only a small minority of 717 (6%) former IDPs/DPs (both RE and non-RE) are registered with the national employment agency.

**Lack of money to cover education costs and a low level of motivation to pursue their education further continue to damage the overall employability of IDPs/DPs in the long run.**

The cost of education is the major reason that former IDPs/DPs mention to justify why they are not included in education, regardless of whether they are young people who have not completed obligatory education, or older household members who have problems finding a job. Although primary education is free of charge, families have to purchase textbooks, school materials and cover clothing costs and transportation to school, where needed, which, when put together, make a significant cost for poor or low-income families.

Additional reasons for not pursuing education fall in the category of motivation: while non-RE people believe that they have already reached their desired level of education, the RE population lacks the motivation to continue.

**The employment opportunities of former IDPs/DPs are primarily affected by the level of professional qualifications and working experience.**

According to the official statistics, former IDPs/DPs are mainly engaged in those sectors with the lowest average income rates: almost 30% are engaged in wholesale and retail trade, 14% in construction, 7.3% in hospitality (hotels and restaurants) and 9.2% in crafts and services.

**Despite low employment and a lack of qualifications, former IDPs/DPs are not involved in training programmes and the majority see no perspective in attending them either.**

Despite the lack of competitive skills/qualifications, a small number of unemployed former IDPs/DPs in Montenegro have been recently enrolled in training programmes (10.1% in Podgorica, 6.1% in Nikšić and only 1.2% in Bar). While over 70% of respondents believe that additional skills or knowledge would not influence their employment opportunities, some 25% claim that they cannot afford training that might help them get employed. This is especially noticeable among the RE population. Respondents who expressed a readiness to attend training mentioned a need for foreign language courses, improving their computer skills, gaining skills in the construction sector and service-oriented sectors – cosmetics, sewing and accounting.

**Poverty rate of the IDP/DP population is several times as high as that of the resident population.**

The poverty rates of former IDPs/DPs are significantly higher than in the resident population (8.6% in 2013 according to MONSTAT) – the overall poverty rate among the non-RE population is 34.4%, and among the RE population it is 48.2%. The poverty self-assessment shows worrying results, with over 70% of households (RE and non-RE) claiming that their current financial situation is bad or very bad. Lower living standards among the former IDP/DP population is also indicated by a greater share of food expenditure out of the overall monthly expenditure (45.6%), which is higher than among the local population (34%).

**If employed, former IDPs/DPs most often hold insecure jobs, in the sectors with the lowest average salaries and generally they are employed in the grey economy.**

Former IDPs/DPs are mainly engaged in sectors with the lowest average salaries in the country. The survey confirmed that their jobs are most often insecure and, generally, they are employed in the grey economy or have their taxes and contributions only partly paid. Also, a high percentage of the self-employed are engaged in the grey economy.

**The general trends in employment in Montenegro drastically affect former IDPs/DPs' employment opportunities.**

According to the official statistics, the unemployment rates of the resident population recorded an upward trend, reaching 17.7% in 2015 and almost 23% in 2016. The recent years have been characterized by negative trends in terms of increasing supply in the labour market, decreased demand and decreased overall employment in Montenegro. The high level of unemployment is accompanied by structural problems in the labour market, such as long-term unemployment, a large number of unemployed people falling within the hard-to-employ population, high youth unemployment, an increased number of unemployed university graduates, the seasonal nature of employment and a large foreign labour force.

Furthermore, steady migration of the population from underdeveloped areas in northern Montenegro to the central and southern parts of the country and an ever-increasing number of university graduates who are willing to perform tasks typically covered by people with only secondary education, will continue to be a significant limiting factor for the employment of poorly qualified former IDPs/DPs in the near future. The situation where the supply of potential employees for certain jobs exceeds demand creates highly competitive labour-market conditions, not conducive to employment of former IDPs/DPs. High replacement opportunities for employers is another factor that contributes to the environment.

Under the existing conditions in the employment sector, some potential for employment exists in sectors where a large number of foreign workers are engaged, primarily in the field of construction, followed by the sectors of trade, tourism and hospitality.

**The way forward in the short, medium and long term needs to be tailored to the needs and abilities of the five main categories of potential workers.**

In order to support the self-reliance of former IDPs/DPs in Montenegro, intertwined and coordinated initiatives are needed in the short, medium and long term.

Five main categories emerged from the research, all of which require a tailored approach and targeted activities, and are as follows:

1. Unemployed with skills interested in working;
2. Unemployed without skills interested in working;
3. RE women interested in working;
4. Those interested in establishing private businesses;
5. Inactive population interested in working.

**All interventions should be undertaken bearing in mind the available programmes to support the employability of former IDPs/DPs and through engaging local, national and international stakeholders in a coherent and coordinated manner.**

Over the years, several programmes have been implemented to support the economic activity of IDPs/DPs in Montenegro. In spite of a lack of a structured evaluation or impact assessment of such programmes, it may be concluded that the results of such actions were limited, mainly due to the short duration and the ad-hoc nature of these programmes.

A broad network of local, national and international actors should be involved in order to create an environment conducive to the sustainable employment of former IDPs/DPs.

# 1. INTRODUCTION

In total, there are 12,500 people residing in Montenegro as a consequence of the conflict in the former Yugoslavia. Of them, 11,450 have obtained the status of foreigner with permanent or temporary residence; fewer than 1,000 applications are still pending, while somewhat fewer than 1,100 have been given Montenegrin citizenship so far<sup>1</sup>.

Upon amending the *Law on Foreigners* in 2009, the Government of Montenegro created a mechanism for refugees from the former Yugoslavia holding the legal status of “displaced” and “internally displaced” persons to have privileged access to the status of foreigner with permanent residence. In 2010, the *Decree on the Manner of Exercising Rights by Displaced Persons from the Former Yugoslav Republics and Internally Displaced Persons from Kosovo Residing in Montenegro* was adopted, providing IDPs/DPs with access to key rights and public services on an equal footing with Montenegrin citizens.

In November 2011, the foreign ministers of Bosnia and Herzegovina, Croatia, Montenegro and Serbia signed the *Joint Declaration on Ending Displacement and Ensuring Durable Solutions for Vulnerable Refugees and Internally Displaced Persons* to re-establish cooperation between the states and to promote durable solutions for the displaced population from the 1991–1995 conflicts. Montenegro accepted exclusively Kosovo<sup>2</sup> refugees from the 1999 conflict.

The commitment expressed in the Declaration served to establish the *Regional Housing Programme* (RHP). The aim of this regional initiative is to contribute towards resolving the protracted displacement situation of the most vulnerable refugees and displaced persons by providing them with durable housing solutions.

In addition to the RHP-related activities, in order to achieve durable solutions, several donor initiatives were undertaken to increase the self-reliance and livelihood opportunities of ex-Yugoslav refugees. The strategic goal of livelihood programming is to enable the self-reliance of those who are particularly vulnerable among the IDPs/DPs, ensuring their enjoyment of the full range of human rights and their capacity to participate in the achievement of durable solutions.

Currently, only limited funds are available for livelihood support within the EU’s Konik Social Inclusion project (involving only Roma and Egyptian (RE) refugees in Konik). Similarly, a US BPRM-funded regional project aims to improve the economic independence of future beneficiaries of the RHP. The project is being implemented in Serbia, Bosnia and Herzegovina and Montenegro. Project activities were recently completed in Berane; some livelihood support actions are also being planned in Pljevlja and Nikšić for the end of 2018.

The ultimate success of the RHP in Montenegro will be assessed through the extent to which sustainable solutions are found for the most vulnerable former displaced and internally displaced persons. However, little livelihood-related support is available in Podgorica, Herceg Novi and other municipalities where the project of individual houses is being implemented. To support the integration prospects of refugees from the former Yugoslavia in Montenegro, particularly RHP beneficiaries, further livelihood support needs to be considered.

<sup>1</sup> Figures as of May 2017, source: UNHCR.

<sup>2</sup> All references to Kosovo shall be understood in the context of United Nations Security Council Resolution 1244 (1999).

This study has been prepared in order to support the development of a national programme for livelihoods in Montenegro, with the aim of presenting the socioeconomic situation of displaced persons in Montenegro, analysing their position in the labour market and suggesting proposals for improving their employability.



## 2. COUNTRY CONTEXT FOR REFUGEES FROM THE FORMER YUGOSLAVIA

### 2.1 LEGAL STATUS

Upon their arrival in Montenegro, people who had been displaced from Bosnia and Herzegovina and Croatia were granted the status of “displaced persons”, while those coming from Kosovo were registered as “internally displaced persons”. Within the group of internally displaced persons there is a group of so-called “Vraka” people - some 1,600 ethnic Serbs and Montenegrins who fled Albania and arrived in Montenegro in 1991 were recognized as refugees by the Interior Ministry of the former Socialist Federalist Republic of Yugoslavia. They were forcibly relocated to Kosovo in 1992/93 and arrived in Montenegro for a second time in 1999, along with other internally displaced persons.

The Government of Montenegro amended the 2009 Law on Foreigners in order to create a mechanism for refugees from the former Yugoslavia who have the legal status of “displaced persons” (DPs) and “internally displaced persons” (IDPs) to gain privileged access to the status of foreigner with permanent residence. This status provides access to the full spectrum of basic rights, except voting rights. After 10 years of having the status of foreigners with permanent residence, refugees from the former Yugoslavia will have the opportunity to



apply for Montenegrin citizenship. As an exception, the government opened up access to citizenship for Vraca refugees after one year of having the status of foreigner with permanent residence. In order to obtain the status of foreigner with permanent residence, refugees from the former Yugoslavia residing in Montenegro had to submit applications to the Ministry of the Interior (MoI) by 31 December 2014. As of May 2017, 11,451 people had obtained the status of foreigner with permanent residence, while 945 applications were still pending.

## 2.2 ACCESS TO RIGHTS

On 7 July 2010, the Government of Montenegro for the first time passed the *Decree on the Manner of Exercising Rights by Displaced Persons from the Former Yugoslav Republics and Internally Displaced Persons from Kosovo Residing in Montenegro*. The Decree provides IDPs/DPs with access to health care, education, employment, pensions, as well as social and child protection with the same treatment that is accorded to Montenegrin citizens. Bearing in mind the number of pending applications for the status of foreigner at the Ministry of the Interior (MoI) and the fact that all these applicants still hold IDP/DP status, the Ministry of Labour and Social Welfare (MLSW) has extended the validity of the Decree several times, the last time being until the end of 2019.

In July 2011, the Government adopted the *Strategy for Durable Solutions of Issues Regarding Displaced and Internally Displaced Persons in Montenegro, with Special Emphasis on the Konik Area 2011–2015* (“the Strategy”) with its accompanying annual action plans, which were assisted in the development process by UNHCR and the European Union Delegation (EUD). The Strategy’s Coordination Board, chaired by the Minister of Labour and Social Welfare,



was also established to monitor and guide its implementation. Since the goals set out by the Strategy have not yet been completely reached, the Ministry of Labour and Social Welfare announced to UNHCR that the validity of the Strategy would be extended for an additional three years, until the end of 2019.

## 2.3 REGIONAL HOUSING PROGRAMME

Based on the *2011 Joint Declaration on Ending Displacement and Ensuring Durable Solutions for Vulnerable Refugees and Internally Displaced Persons*, the Regional Housing Programme (RHP) was established with the aim of providing the most vulnerable refugees and displaced persons with durable housing solutions.

In Montenegro, the RHP foresees the construction of apartment buildings without the possibility of buy-off, the provision of prefabricated houses, the delivery of materials for construction and/or adaptation, and the construction of institutions for the elderly and infirm. So far, six projects have been approved by the Assembly of Donors and are at different stages of implementation. The construction of 62 apartments in Nikšić and 120 apartments for residents of Konik Camp 1 in Podgorica have been completed, while construction of a retirement home in Pljevlja and 94 housing units in Berane for the residents of the refugee settlements Rudes 1 and Rudes 2 is still ongoing. In 2016, the purchase of 36 flats in Herceg Novi was approved, as well as the construction of 50 individual houses in 11 municipalities throughout Montenegro. Initially, the RHP in Montenegro was aimed at satisfying the housing needs for 6,063 refugees (1,177 households) who are particularly vulnerable among IDPs/DPs in Montenegro.



# 3. FORMER INTERNALLY DISPLACED/DISPLACED PERSONS IN MONTENEGRO – SOCIOECONOMIC ANALYSIS

There are former IDPs/DPs living in all three regions of Montenegro – 43.4% of them are located in the central region, 41.3% in the southern region, and only 15.3% are located in the northern part of the country. The majority of former IDPs/DPs in Montenegro either rent or own the premises they live in. However, some of them are located in settlements for permanent housing, such as in Andrijevica, Berane, Gusinje, Herceg Novi, Kolasin, Nikšić, Pljevlja and Podgorica (almost 2,000 people); some are in settlements for temporary accommodation (such as in Andrijevica, Berane, Gusinje, Podgorica and Ulcinj – less than 800 people), while some 75 people in Bar, Herceg Novi and Ulcinj still reside within informal collective centres.

In the context of the present study, the term “former IDPs/DPs” refers to: (i) persons displaced by the conflicts in Bosnia and Herzegovina and Croatia between 1992 and 1995, and (ii) those who fled to Montenegro from Kosovo in 1998–1999. The research was carried out in three selected municipalities – Podgorica, Nikšić and Bar.

## 3.1 METHODOLOGY

In order to evaluate the baseline socioeconomic situation of former IDPs/DPs living in Podgorica, Nikšić and Bar, in terms of their problems and needs, including the identification of specific sectors and related challenges that are to be addressed in order to strengthen their self-reliance, primary data collection was organized, in addition to a desk review. In total, 502 households and 2,008 individuals were interviewed in Podgorica, Nikšić and Bar, as indicated in the table below.

**Table 1:** Number of households and individuals interviewed, per municipality

City	Households	Individuals	Total number of former IDPs/DPs	Share of interviewed IDPs/DPs
Podgorica	202	935	3,738	25.0%
Nikšić	100	340	584	58.2%
Bar	200	733	1,628	45.0%
<b>Total</b>	<b>502</b>	<b>2,008</b>	<b>5,950</b>	<b>33.7%</b>

*\* Available in the UNHCR database, as of December 2016.*

In total, 56.7% of all former IDPs/DPs reside in the municipalities of Podgorica, Nikšić and Bar. Of them, 33.7% were interviewed for the purposes of this analysis. The percentage of the target population interviewed varies from municipality to municipality. In Podgorica, 25.0% of former IDPs/DPs were interviewed, 58.2% in Nikšić and 45.0% of those residing in Bar.<sup>3</sup>

The data collection method deployed was face-to-face interviews in the respondents' households. The main respondent was generally the head of the household – his/her presence was necessary during the interview. However, since extensive information had to be collected from other household members as well, other household members were also present. A questionnaire was developed covering the following topics:

- *At the level of the household* – housing conditions, revenue sources for households (wage employment, self-employment, remittance) and expenditures; involvement in agriculture, environmental conditions;
- *At the level of individual household members* – demographics, including ethnicity, education and working status; health; employment and income; unemployment; availability of social assistance.

It is important to emphasize that the socioeconomic analysis includes the presentation of key data and findings based exclusively on the respondents' responses and perceptions. However, to better understand the situation, as well as to be able to ask/search for proper answers, several interviews with representatives of the relevant institutions dealing with the target population were conducted prior to the survey fieldwork.

In addition, in order to properly understand the survey's findings, one should be aware that the target populations in Podgorica and in Bar are only partially using social housing, while many own or rent the premises they live in. The situation is somewhat different in Nikšić, where the majority of the target population are users of social housing and represent the most vulnerable population among them. Namely, by the end of 1990s, as the collective centres hosting refugees from the former Yugoslavia were closing down, the only remaining collective centre was in Nikšić (which also offered three meals a day) and was accepting the most vulnerable tenants from other collective centres/municipalities. The majority of them were physically and/or mentally disabled and/or elderly. Again, most of them were accommodated in two buildings constructed for the purpose of closing the only remaining collective centre in Nikšić (the German House and the European House, constructed in the period 2004–2005). The donor community funded projects supporting their independent life in the new environment, until they were able to obtain access to health and social care through the foreigner status.

### 3.2 LOCAL CONTEXT

When analysing the results of the survey, special attention was paid to the differences between the populations in each municipality. The main reason for this is the diverse livelihood opportunities available in the three locations.

<sup>3</sup> In order to receive reliable inputs for the livelihood programming, the survey samples were created so as to be representative at the municipality level. A two-phase random representative sample was used for research concerning the subjects residing in Podgorica and in Bar, based on UNHCR data. In Nikšić, right from the outset, the interviewer had instructions about the selection of the target households. Almost 10% of the sampled households in all three municipalities decided not to participate in the survey (mainly well-off households) or else the interviewers were not able to identify a new address after they were not found at the initial address extracted from the UNHCR Montenegro database. Despite this, and bearing in mind the sample methodology, the results presented are considered to be representative of the target population in each municipality.

**Podgorica** is the capital of Montenegro. It covers an area of 1,441 square kilometres, or 10.4% of the territory of Montenegro. Almost 190,000 inhabitants live in Podgorica today (2011 Census, MONSTAT). Including daily commuters, the city plays host to 30% of the Montenegrin population. The increase in the number of inhabitants between the last two censuses<sup>4</sup> was mainly due to migration, which means that the overall supply in the labour market increased, creating more competition. The capital city is located in the central part of the country and is the administrative, economic, cultural and academic centre of the state. After the privatization process, economic activities in Montenegro mainly shifted away from heavy industry towards the telecommunications sector, trade, banking and other services. Official statistics confirm a constant increase in the number of employees in Podgorica,



**Figure 1:** Map of Montenegro

which is one of the indicators of economic development and employment opportunities. The average number of employees in the capital in 2015 was 79,006. According to the 2011 census (MONSTAT), the largest proportion of employees was represented in the trade sector at 21.7%, followed by the state administration with 14.3%. It is expected that the future economic growth of Podgorica will be based on the development of agriculture, the processing industry and tourism, as well as the development of SMEs and entrepreneurship.

**Nikšić** is the largest municipality in the country, covering some 15% of its territory (or an area of 2,065 km<sup>2</sup>). The population of the Municipality of Nikšić reached 73,000 (2011 Census, MONSTAT). A reduction in the number of inhabitants between the two censuses indicates a depopulation process, mainly caused by poor economic development and a consequent lack of jobs. Although the transition process led to a weakening of the industry sector, giving priority to the trade and service sectors, the economy of the Municipality of Nikšić is still largely based on industrial production, which includes the industries of metallurgy, metal processing, food production, wood processing and mining. Official data confirms a constant decrease in the number of employees in the Municipality of Nikšić, which is a clear indication of slow economic activities and limited employment opportunities. The average number of employees in Nikšić in 2015 was only 13,375. According to the 2011 census, the largest numbers of employees were in the retail sector (19.5%) and the manufacturing industry (18.3%). Development priorities are linked to industry (especially steel production), the exploitation of mineral resources, intensified agriculture, food processing and the tourist sector.

**Bar** is located in the coastal region of Montenegro, between the Adriatic Sea and Lake Skadar, and covers an area of 598 km<sup>2</sup>. Its number of inhabitants exceeds 42,000 (2011 Census, MONSTAT) and this increased in the period between the last two censuses, mainly due to

<sup>4</sup> The last two censuses were organized in 2003 and 2011 by the official statistical bureau MONSTAT.

migration (from the northern region of Montenegro). Its geographical location, access to the sea and good infrastructure connections with the rest of the country have determined the main economic activities in Bar: transport services, tourism and hospitality, trade, agriculture, crafts and various sets of services. In the last two years there was a slight decrease in the number of people employed in the Municipality of Bar. The average number of employees in Bar in 2015 was 11,426. According to the 2011 census, the largest numbers of employees were in the retail sector (22.5%) and transport and storage (20.4%). The priority development sectors are: tourism, port activities, agriculture and small processing capacities, and SMEs.

**Table 2:** Number of employees per municipality, 2010–2015

CITY / Year	2010	2011	2012	2013	2014	2015
Podgorica	64,706	68,146	71,681	75,195	77,108	79,006
Nikšić	16,687	16,021	14,744	13,959	13,755	13,375
Bar	11,072	10,961	10,980	11,541	11,497	11,426

Source: MONSTAT

### 3.3 DEMOGRAPHICAL STRUCTURE

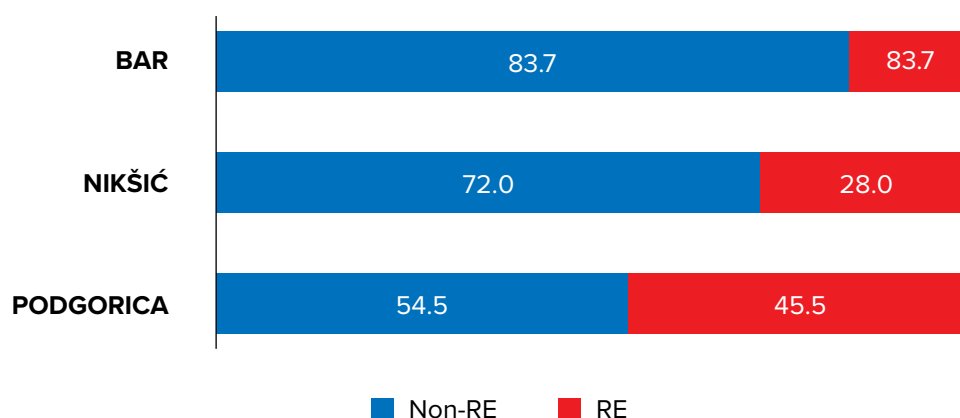
The demographical structure of the target population was analysed from the point of view of household size and household structure (according to the age of the household members), ethnicity, level of education and employment status. The analysis for heads of households relating to certain characteristics (e.g. age, gender, education level and employment status), was presented as well.

#### Demographical Characteristics of Households

##### Presence of the RE population by municipality

Graph 1 shows the distribution of the population by municipality according to ethnicity. It is noticeable that a significant share of former IDPs/DPs population in Podgorica are Roma and Egyptians (RE) compared to the structure of the population in Nikšić and in Bar (45.5% in Podgorica, compared to 28.0% and 16.3% in Nikšić and Bar, respectively).

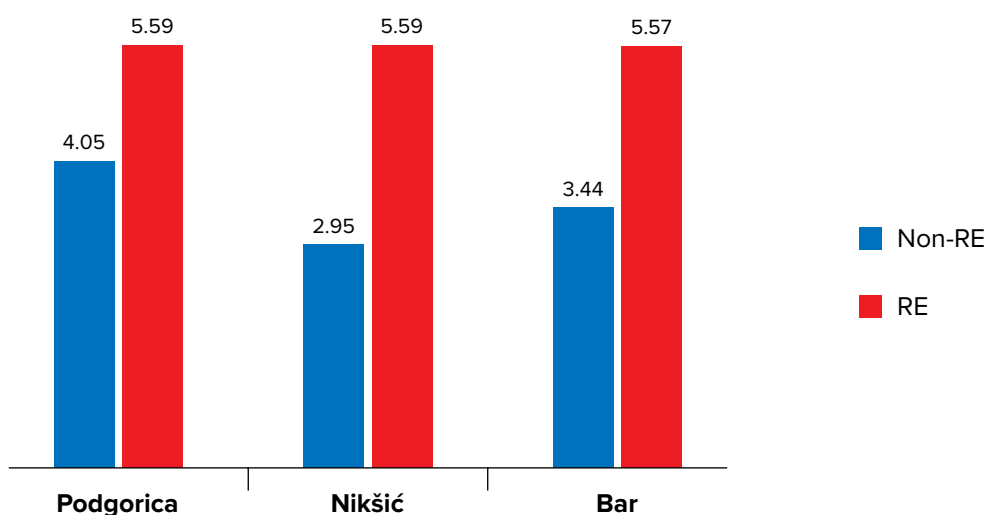
**Graph 1:** Structure of the population by municipality (%)



### **Number of household members – household size and household structure**

The number of household members varies significantly depending on the segment of the population. In general, RE families are characterized by a larger number of household members than non-RE families, regardless of the municipality (Graph 2). On the other hand, the non-RE families surveyed in Podgorica are larger than those in Bar, significantly so compared to those in Nikšić. Besides that, RE households are also characterized by a larger number of children (among the RE population in Podgorica the share of children within each household is 50%, while in Nikšić and Bar it is as high as 60%). The presence of children among the non-RE population in Nikšić is far lower (14.6%). On the other hand, RE households only contain up to 3% of older members (aged 65+ years), while the share of household members aged 65+ years is significantly larger in the non-RE population (14.6% of members in Nikšić, Table 3). This is reflected in the average age of the population. While the RE population is rather young, the average age of the non-RE population is much higher (up to 41 years in Nikšić) even when compared to the resident population (according to the 2011 census, the average age of the Montenegrin population is 37).

**Graph 2:** Household size (number of household members)





**Table 3:** Average household size and structure of households by number of children and adults in the household

	Podgorica		Nikšić		Bar		Total sample	
	Non-RE	RE	Non-RE	RE	Non-RE	RE	Non-RE	RE
No. of households in the sample	126	76	83	17	179	21	388	104
Number of individual family members	510	425	245	95	616	117	1,371	637
Average no. of household members	4.05	5.59	2.95	5.59	3.44	5.57	3.57	5.58
<b>Structure of the household</b>								
Children from 0 to 3 years	4.9%	7.8%	6.7%	11.6%	2.5%	14.5%	4.2%	8.9%
Children from 4 to 5 years	1.6%	3.8%	2.1%	8.4%	1.8%	6.8%	1.8%	4.5%
Children from 6 to 14 years	6.9%	24.9%	4.6%	29.5%	7.3%	28.2%	7.0%	25.7%
Children from 15 to 18 years	5.5%	13.9%	1.3%	10.5%	7.0%	11.1%	5.7%	13.3%
Children aged 0 to 18 years	18.8%	50.4%	14.6%	60.0%	18.7%	60.7%	18.7%	52.4%
Adults aged 19 or older	81.2%	49.6%	85.4%	40.0%	81.3%	39.3%	81.3%	47.6%
Old people aged 65 or older	10.4%	2.4%	14.6%	1.1%	10.9%	2.6%	10.9%	2.3%
Average age	37.5	23.9	41.1	19.4	39.3	18.7	38.4	22.9
Average age of resident population (2011 Census, MONSTAT)	37							

### **Characteristics of heads of households**

Approximately one in three heads of households in non-RE families is female. This is significantly different in RE households where fewer than 20% of the heads of households are women. The most vulnerable households, from a socioeconomic point of view, are RE families headed by women, who are less educated and less active in the labour market compared to other heads of households. Also, the data shows that female-headed RE households receive social assistance less frequently than male-headed RE households. The average income per household is higher among female-headed RE households, but when analysed in detail, this is due to the fact that female-headed RE households in Bar are better-off. Otherwise, female-headed RE households in Podgorica have a 50% lower household income compared to male-headed RE households. In Nikšić, this difference is slightly in favour of female-headed households (less than 10% higher household income per capita compared to those households headed by a man).

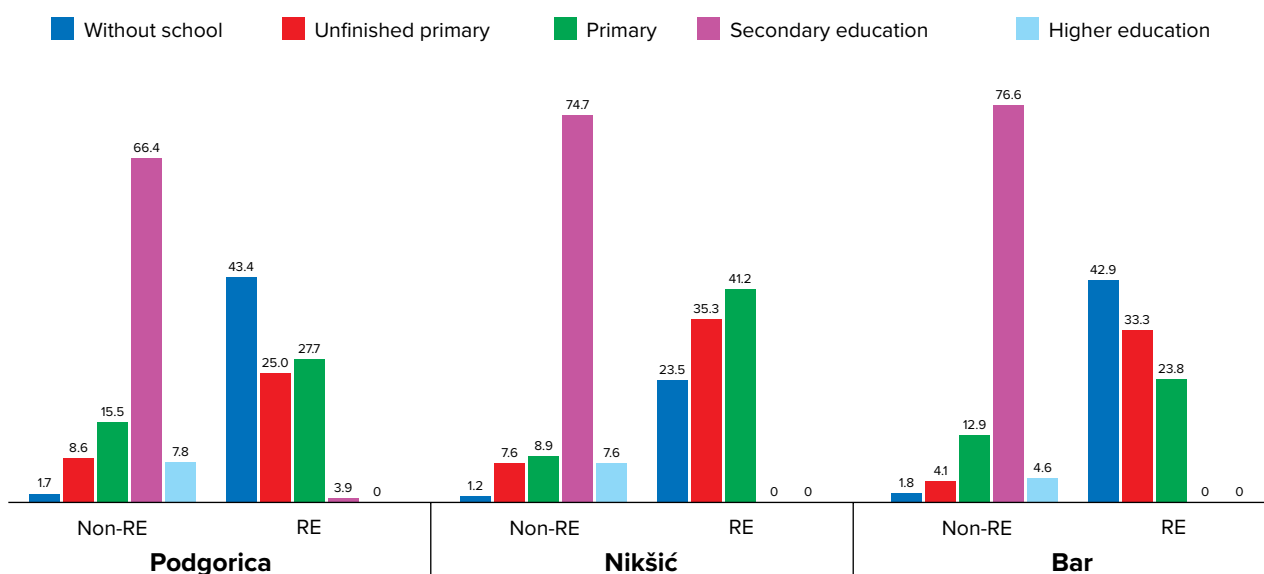
**Table 4:** Comparison of average monthly income and other characteristics of households depending on the gender of the head of the household

	Non-RE		RE	
	Male	Female	Male	Female
Head of the household (%)	69.8	30.2	82.5	17.5
Average number of household members	3.7	2.8	5.7	4.7
Number of observations	271	117	94	20
Average monthly income of household (€)	713	438	170	201
Average monthly income of household per capita (€)	204.8	151.3	31.5	51.7
Percentage of heads of households without primary education (%)	2.8%	18.8%	68.1%	70.0%
Percentage of heads of households active in labour force (employed and unemployed according to self-declaration) (%)	55.3%	27.0%	77.6%	10.0%
Percentage of households that receive any kind of social assistance (%)	11.8%	17.9%	47.9%	35.0%

Broken down by age, the data shows that the heads of RE households are in general younger than in the non-RE population: 15.8% of the RE heads of households in Podgorica, 29.4% in Nikšić and 42.9% in Bar are aged below 30 years, while in non-RE households this is the case with 1 in 25 (4%) households only.

The situation regarding the educational level of the heads of the household is worst among the RE population in Podgorica and in Bar – 4 out of 10 (40%) heads of household do not have any formal education. Analysed by gender, the situation is even worse for women: 50% of female RE heads of households in Bar and 66.7% in Podgorica have no formal education. Among the non-RE population, the large majority of heads of households have completed secondary education (Graph 3).

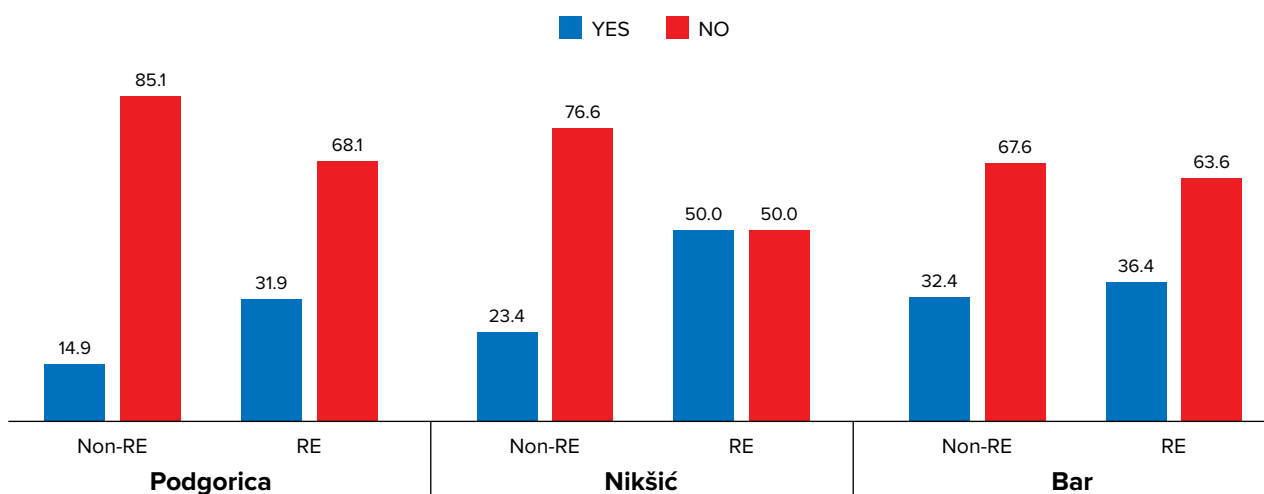
**Graph 3:** Educational status of heads of household (%)



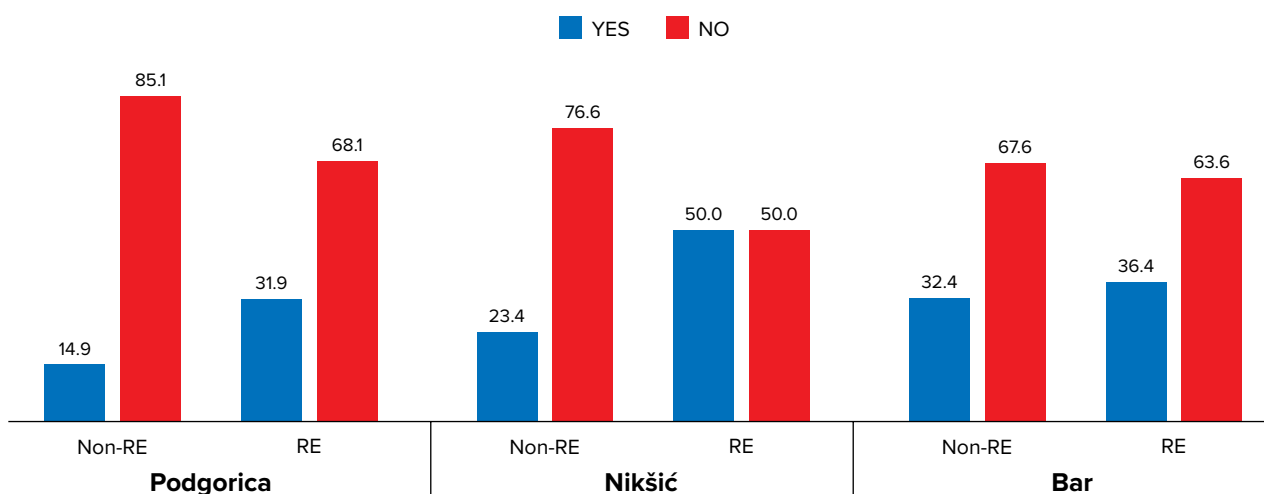
When asked about the main activity in the last week (before the survey), surprisingly 71.1% of RE heads of households in Podgorica declared that they had been working/contributing to income generation. The highest percentage of unemployed heads of household was registered among the RE population in Nikšić (70.6%). In Podgorica and in Bar, 46.8% and 43.6% of non-RE heads of households declared that they had been working, while in Nikšić 37.2% of non-RE heads of household were not working, while 35.6% were retired. There were no pensioners in the heads of households among the RE population (Graph 4).

For those who responded that they were unemployed, when asked if they had been searching for a job in last four weeks, the dominant answer was “no”. Surprisingly, the RE heads of households are more active in searching for a job than non-RE heads of households, which could be a consequence of the fact that many of the non-RE heads of households are old or sick, as well as due to the fact that they receive support from their relatives and adult children, but also this could be because they have no alternative and due to the strong need to survive that the RE population has (Graph 5).

**Graph 4:** The previous week’s activity by the heads of households (%)



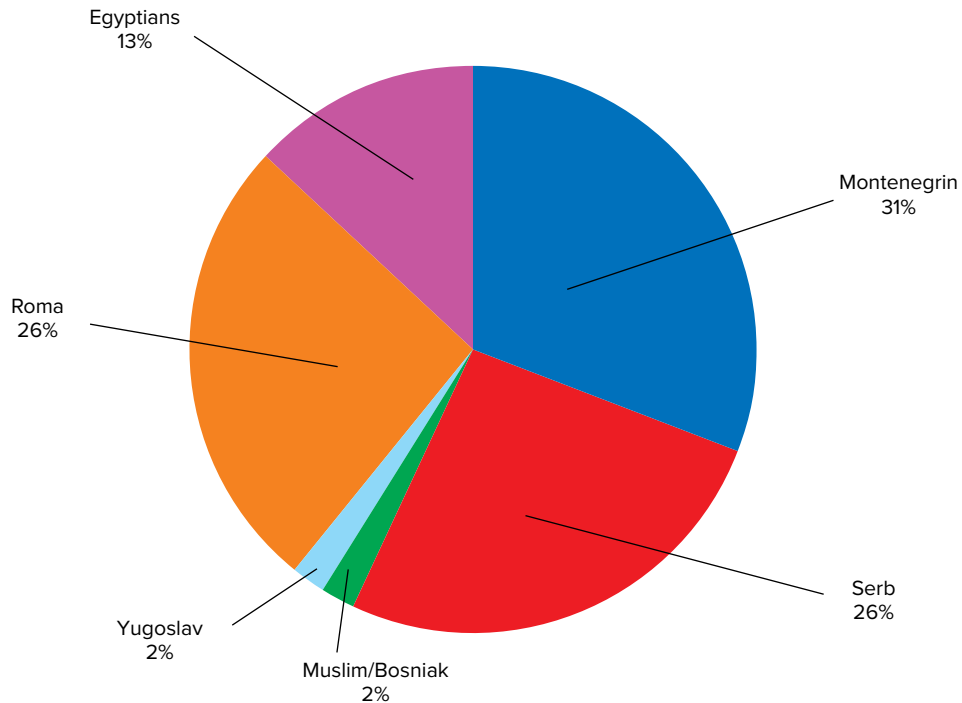
**Graph 5:** Heads of households searching for a job in the previous four weeks (%)



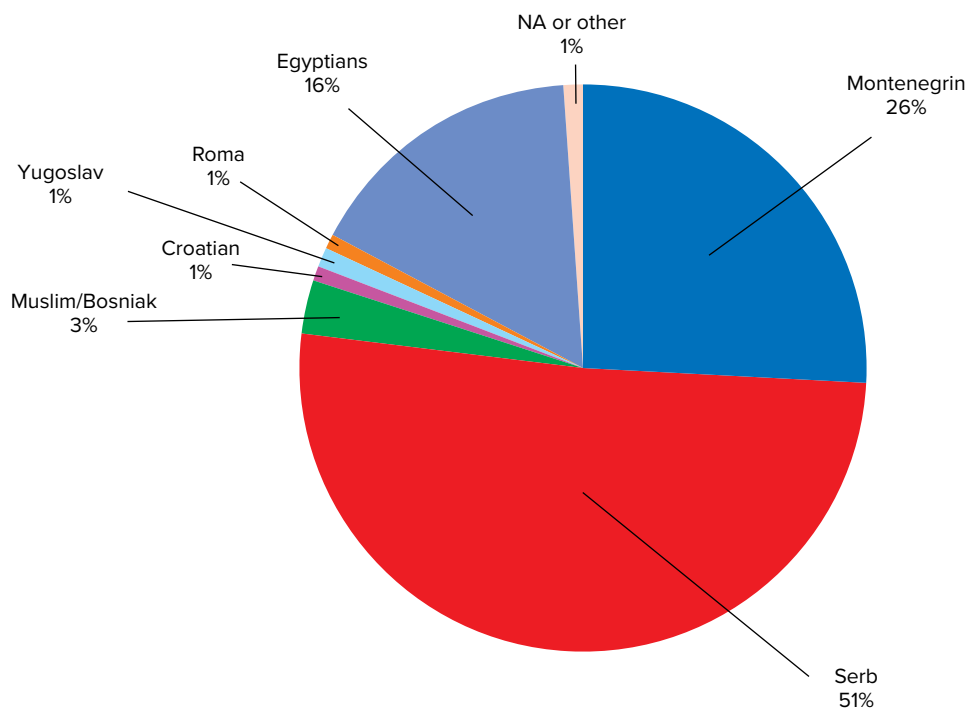
### **Ethnic affiliation of the household head**

Graphs 6a-c below represent the ethnic affiliation of the heads of households by municipality.

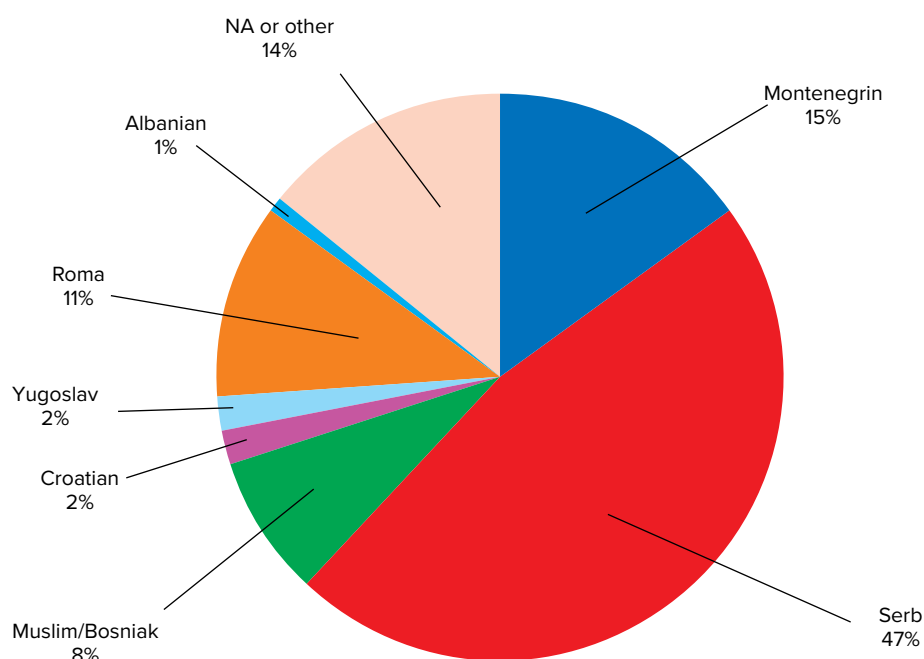
**Graph 6a:** Ethnic affiliation of the heads of households – Podgorica



**Graph 6b:** Ethnic affiliation of the heads of households – Nikšić



**Graph 6c:** Ethnic affiliation of the heads of households – Bar



With the exception of Podgorica, where 39% of the heads of household are Roma (26%) and Egyptians (13%), and 31% of the heads of household declared themselves as Montenegrins, the dominant ethnicity in Bar and Nikšić is Serbian (51% and 47%, respectively).

## Demographical Characteristics of Household Members

### Age of household members

When comparing the target population in all three municipalities with the general population of Montenegro on the basis of the results of the 2011 Census (MONSTAT), the results show that the non-RE population is somewhat older than the average for Montenegro, with a smaller proportion of males below 14 and a larger proportion of females aged 65+. On the other hand, the target RE population has a higher proportion of children.

**Table 4a:** A comparison of the population age structure with the 2011 Census results, population 0+ (%)

	Men			Women		
	Non-RE	RE	Montenegro, 2011 Census	Non-RE	RE	Montenegro, 2011 Census
<b>0–14</b>	12.8	41.3	20.2	13.0	40.3	18.17
<b>15–64</b>	76.6	55.9	68.8	75.3	58.1	67.27
<b>65+</b>	10.6	2.7	11.0	11.7	1.6	14.56

### **Marital status**

According to the 2011 census, over half of the resident Montenegrin population older than 15 years is married (55%), while one-third has never married (33%). These figures are slightly different from those of the non-RE population. Almost 35% of the non-RE population is not married, while 48% is married. At the same time, only 3% declare that they are living with someone unmarried. Within the RE population, the situation is different. Almost one-third confirmed that they were living with someone unmarried, while 32% are married. In total, 27% of people in this subcategory (older than 15 years) are not married.

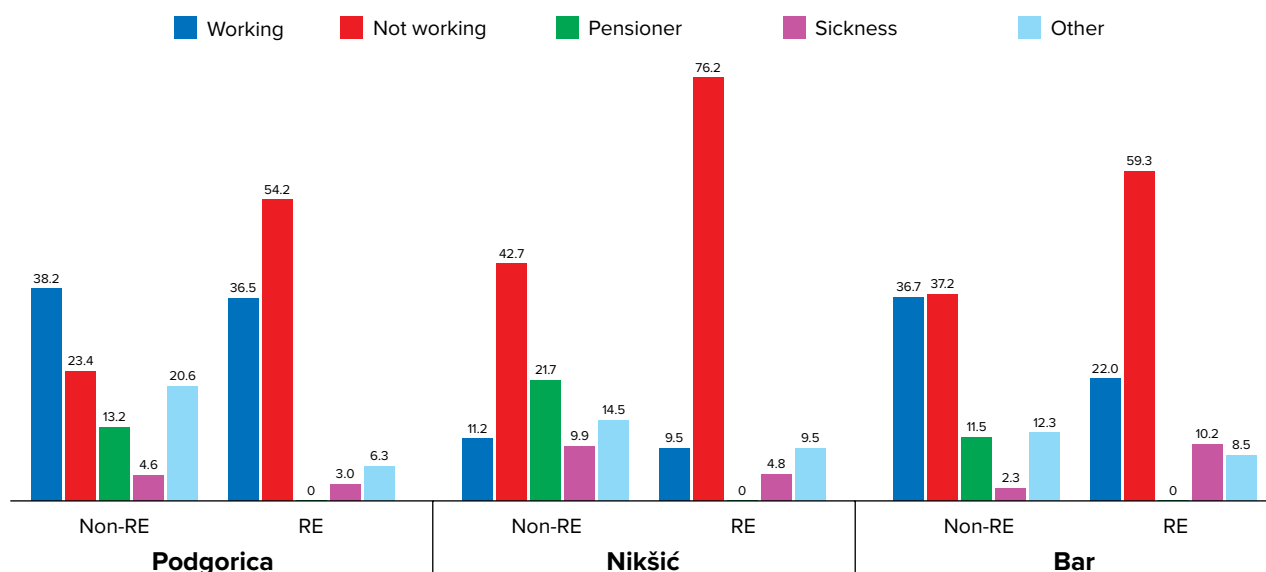


### Previous week's activity by household members older than 15

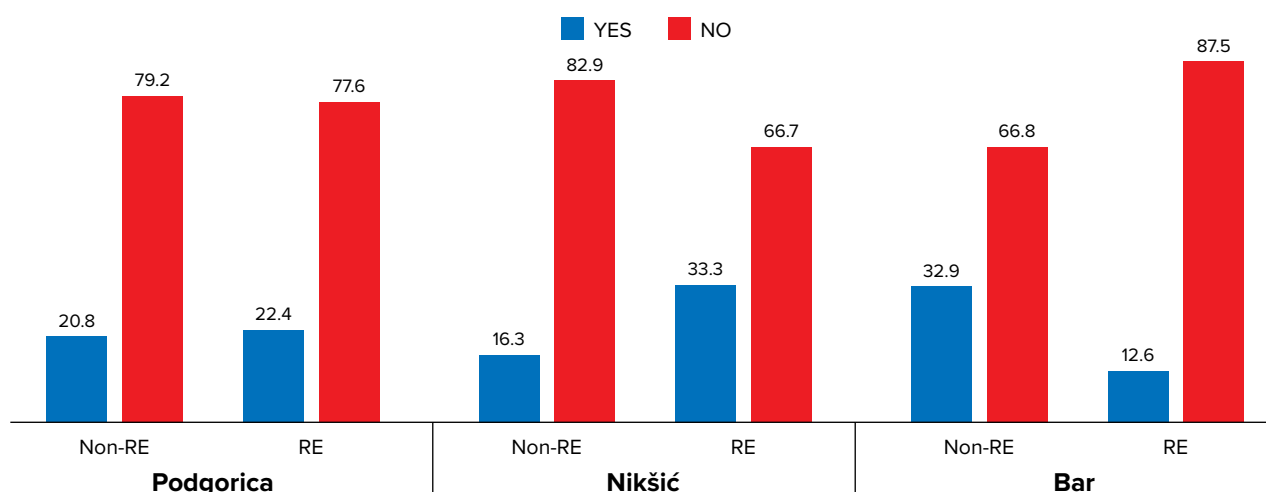
When asked about their main activity in the week before the survey, the dominant answer from household members older than 15 was not working (“unemployed”), except in the case of the non-RE population in Podgorica. As with the case of the heads of households, there are no pensioners among the RE population.

Among those who answered “unemployed”, when asked if they had been searching for a job in last four weeks, the dominant answer was “no”. The household members most active in searching for work are in the RE population in Nikšić and the non-RE population in Bar.

**Graph 7:** The previous week's activity of household members (%)



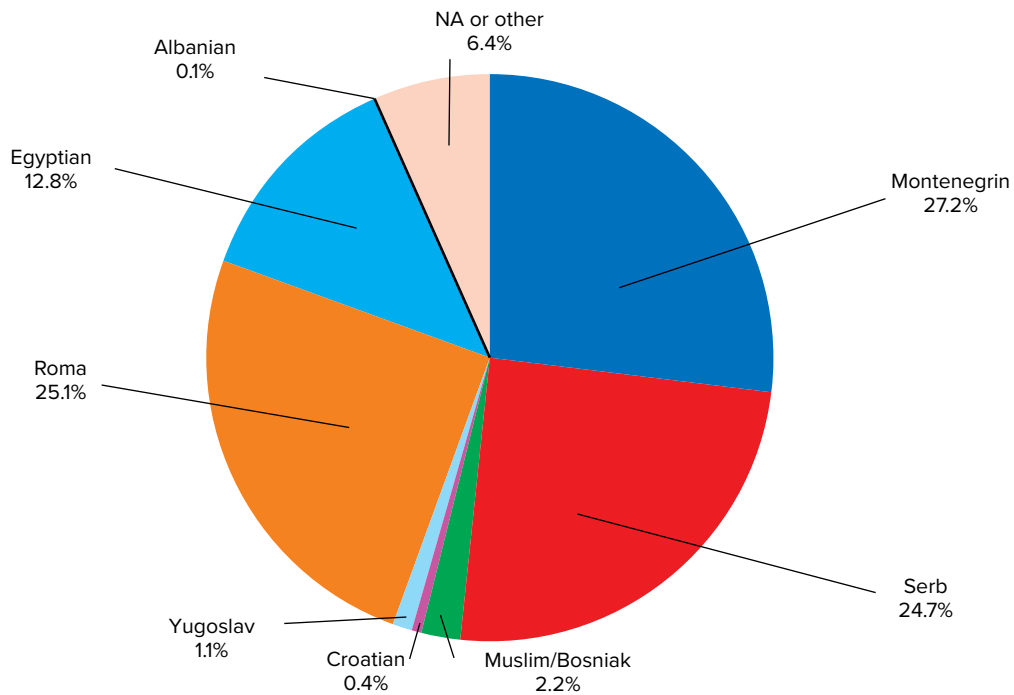
**Graph 8:** Household members searching for a job in the previous four weeks (%)



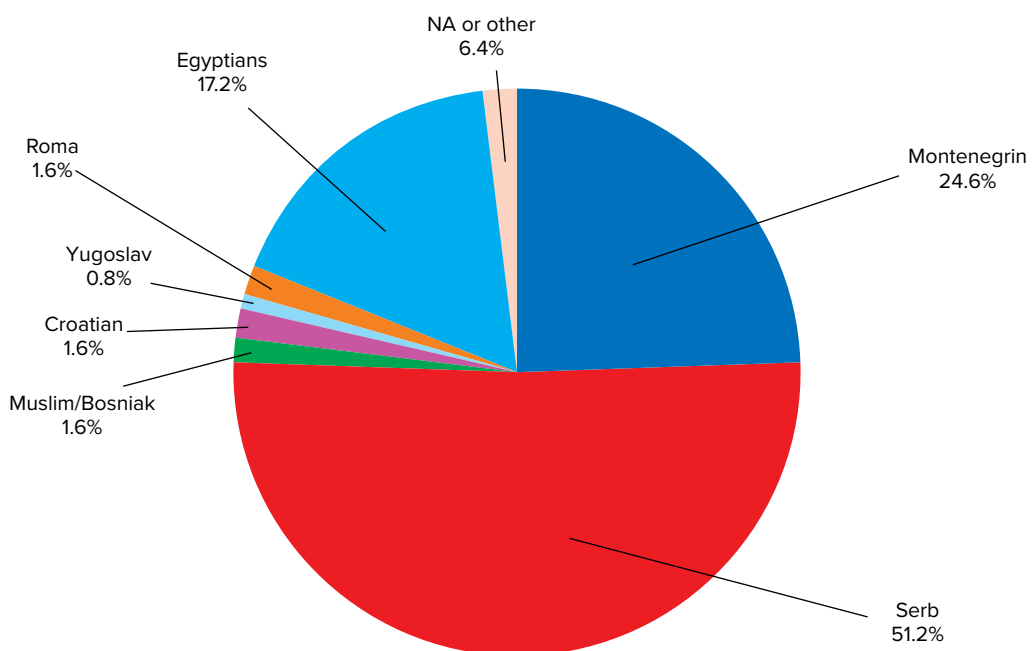
### **Ethnic affiliation of household members**

Graphs 9a-c below represent the ethnic affiliation of household members by municipality. In general, there is no major difference between the ethnic structure of household members and that of the heads of households.

**Graph 9a:** Ethnic affiliation of household members – Podgorica

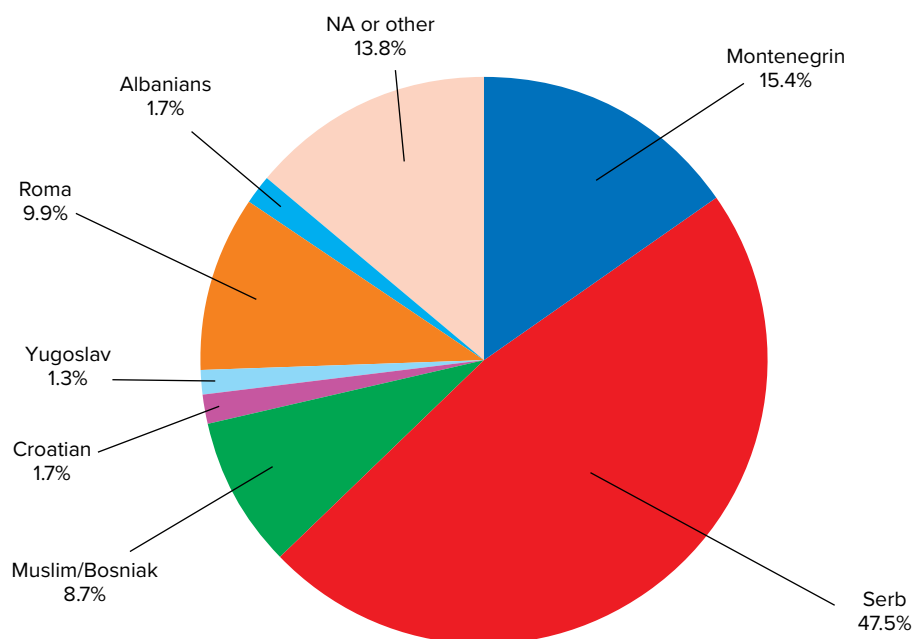


**Graph 9b:** Ethnic affiliation of household members – Nikšić



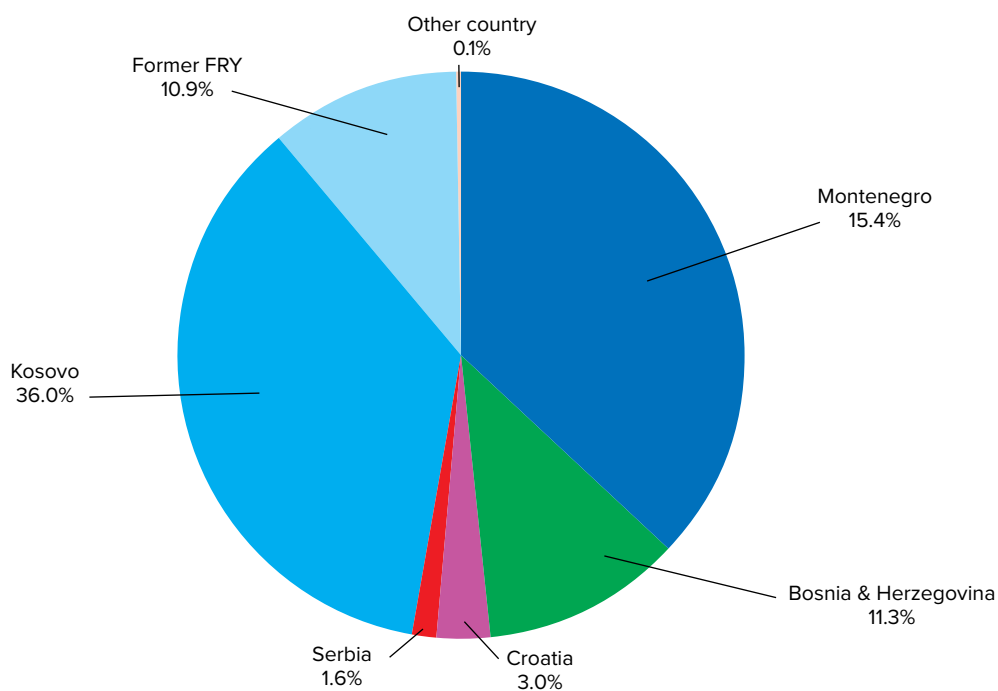


**Graph 9c:** Ethnic affiliation of household members – Bar

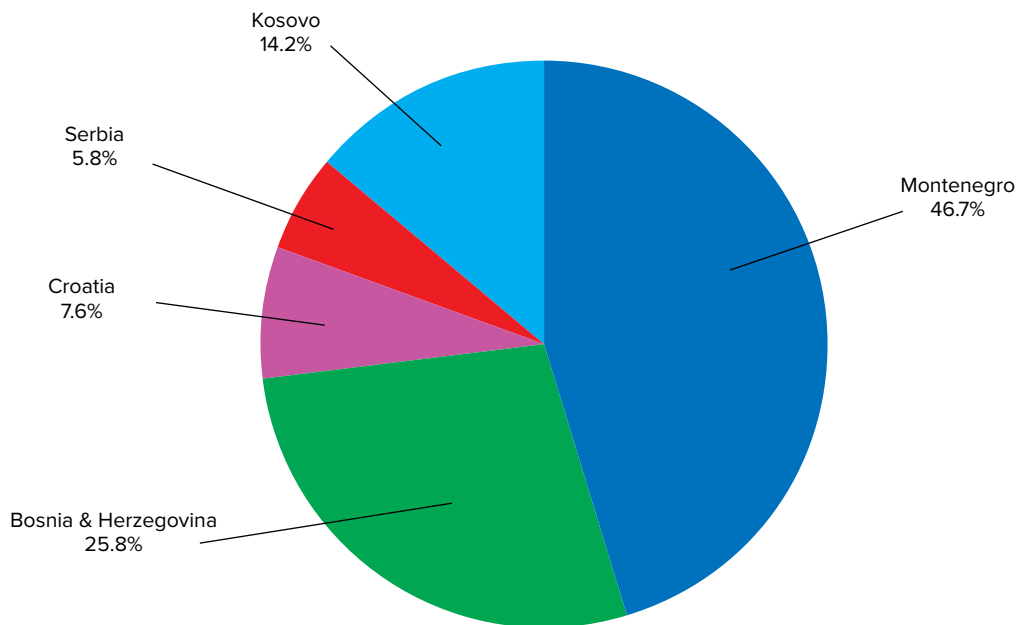


Graphs 10a-c show the structure of former IDPs/DPs in Montenegro according to their country and area of birth. It can be seen that many of them were actually born in Montenegro, while Kosovo is the second most cited place of birth.

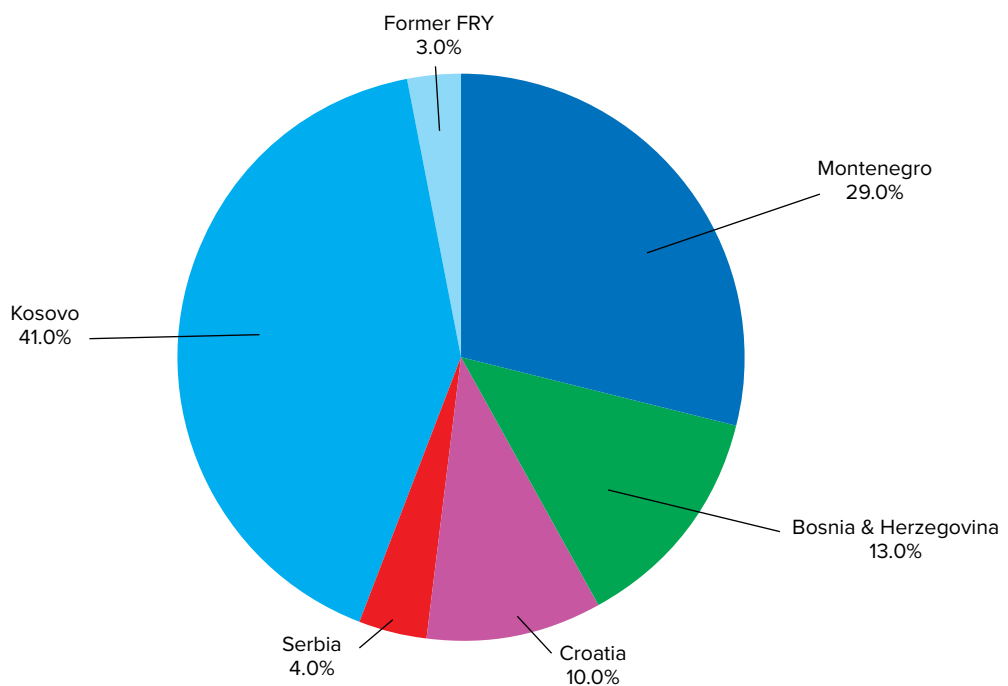
**Graph 10a:** Place of birth of household members (including those below 15 years) – Podgorica



**Graph 10b:** Place of birth of household members (including those below 15 years) – Nikšić

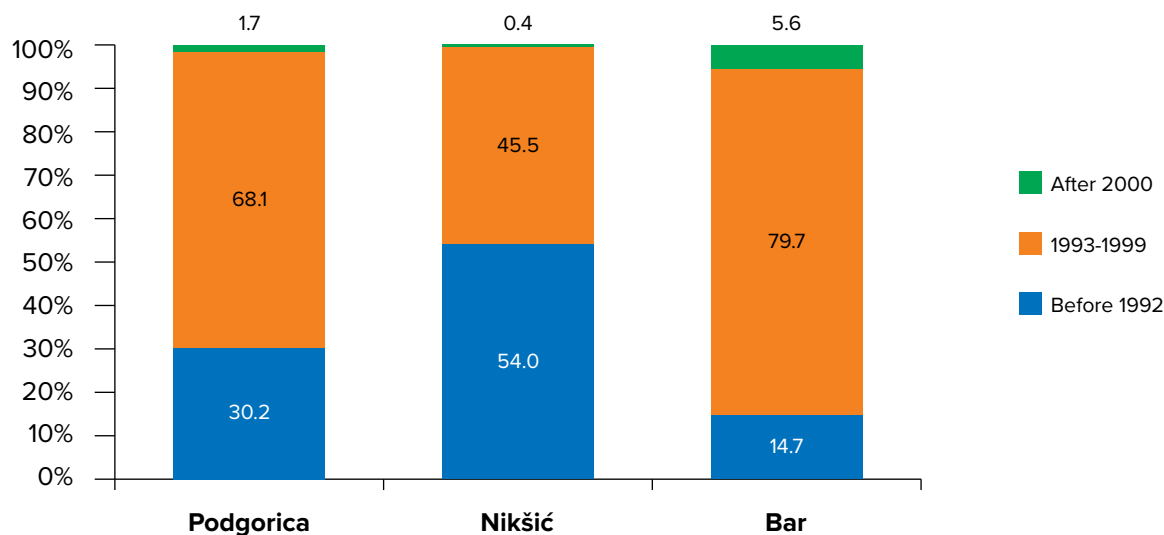


**Graph 10c:** Place of birth of household members (including those below 15 years) – Bar



Graph 11 shows the migrations of household members to Montenegro. It can be seen that the majority of these people, especially those in Podgorica and Bar, arrived during the period 1993–1999. The majority of those displaced, who are currently located in Nikšić, moved to Montenegro before 1992. Interestingly, 5.6% of those displaced in Bar settled there after 2000.

**Graph 11:** Year of arrival in Montenegro (%)



As can be seen from the demographical data on the heads of households and on the household members, the target populations of former IDPs/DPs in Montenegro face difficulties, which limit their livelihood opportunities. With the exception of Podgorica, where more than 70% of RE heads of households reported their status as ‘working’ (at this point the sustainability of those jobs has not yet been discussed), more than 70% of RE heads of households in Nikšić and more than 40% in Bar are not working. At the same time, unemployed RE heads of households have a very low education level (96.1% of those in Podgorica and almost all of them in Nikšić and in Bar have no schooling, have not finished primary school or only have primary-school-level education). An additional burden is reflected in large households with many children among the RE population (on average, more than 55% of household members are below 18 years old, compared to an average of 17% of household members being below 18 years old among the non-RE target population).

However, even among the RE populations there are significant differences depending on the municipality. For example, those in Bar are better-off, with more opportunities to earn a living, especially during the tourist season, while RE households in Podgorica face numerous deprivations. Non-RE households are in a somewhat better position with higher activity rates (with the exception of Nikšić, where only 15.3% of non-RE heads of households work, while in Podgorica and in Bar, 46.8% and 43.6% of non-RE heads of households work, respectively) and have better education (in all three municipalities, on average more than 72% of non-RE heads of households have completed secondary education). However, they are older when compared to the resident population (by more than two years, on average). Old age is accompanied by various illnesses, which limit their capacity to earn income for the household budget.

### 3.4 HOUSING CONDITIONS

Housing conditions represent one of the most important elements influencing living standards. In this section, the type of accommodation, the available surface area, as well as the availability of basic requirements (electricity, water supply, heating etc.) are analysed.

**Table 5:** Basic housing indicators

	Podgorica		Nikšić		Bar	
	Non-RE	RE	Non-RE	RE	Non-RE	RE
No. of households in the sample	126	76	83	17	179	21
<b>Living space</b>						
Average flat surface area (m <sup>2</sup> )	65.2	44.5	38.7	55.6	66.5	43.6
Average surface area per member (m <sup>2</sup> )	16.8	9.2	12.3	12.2	21.7	8.9
<b>Ownership</b>						
Ownership	32.8%	18.4%	1.2% <sup>5</sup>	61.1%	55.3%	28.6%
<b>Basic infrastructure</b>						
Electricity	100%	80.3%	100%	100%	100%	71.4%
Legal electricity connection	77.6%	89.8%	100%	88.2%	88.6%	73.3%
Water supply	97.6%	40.3%	100%	94.1%	98.9%	81%
Bathroom	76.6%	26.7%	98.6%	87.5%	95.5%	52.4%
Shared bathroom	22.6%	53.3%	0.0%	6.3%	2.8%	0.0%
Outdoor WC	0.8%	18.7%	1.4%	12.5%	1.7%	47.6%
Telephone	14.5%	2.9%	77%	92.9%	30.5%	0%
Central heating	2.4%	0%	0%	0%	0%	0%
Internet	39.8%	21.9%	6.7%	6.7%	25.3%	4.8%
<b>Source of heating energy</b>						
Electricity	56%	21.3%	14.8%	0%	58.3%	19%
Wood fuel	67.5%	84.2%	86.7%	100%	52.5%	85.7%

Problems related to the quality of accommodation are mostly present among RE households in Podgorica. Typically, the flats in which those households live are overcrowded, only 40% have running water and the majority of them have shared bathrooms (53.3%). The most used heating method is wood fuel (for example, all RE households in Nikšić use wood to heat their homes,) but many households also use a combination of electricity and wood.

As far as environmental issues are concerned, the most frequently mentioned problem for the non-RE population in Podgorica has been waste and trash (50.7%), which is the case also for the RE population in Podgorica (92%). In Nikšić, the most frequently mentioned environmental problem for the non-RE population is air pollution (15%), while for the RE population waste and trash are most problematic. In Bar, the non-RE population complains about mud and unregulated streets (16.4%), waste (15.9%) and waste water and sewage (10.8%). In addition, the non-RE population complains about stray dogs, sewage and damp during the rainy

<sup>5</sup> In Nikšić, the majority of surveyed non-RE households are beneficiaries of social housing.



season. In Nikšić, the RE population is concerned about traffic since there is a transit road near the settlement and there is no street lighting. In Bar, the non-RE population complains about the noise during the summer season, while the RE population has problems with rats and stray dogs.

### 3.5 HEALTH ISSUES

Assessment of the health condition of the population is one of the most important elements in planning for the economic empowerment of the population. A work contract requires good health. It is also a prerequisite for individuals to be motivated to invest time and effort into improving their qualifications towards better employability.

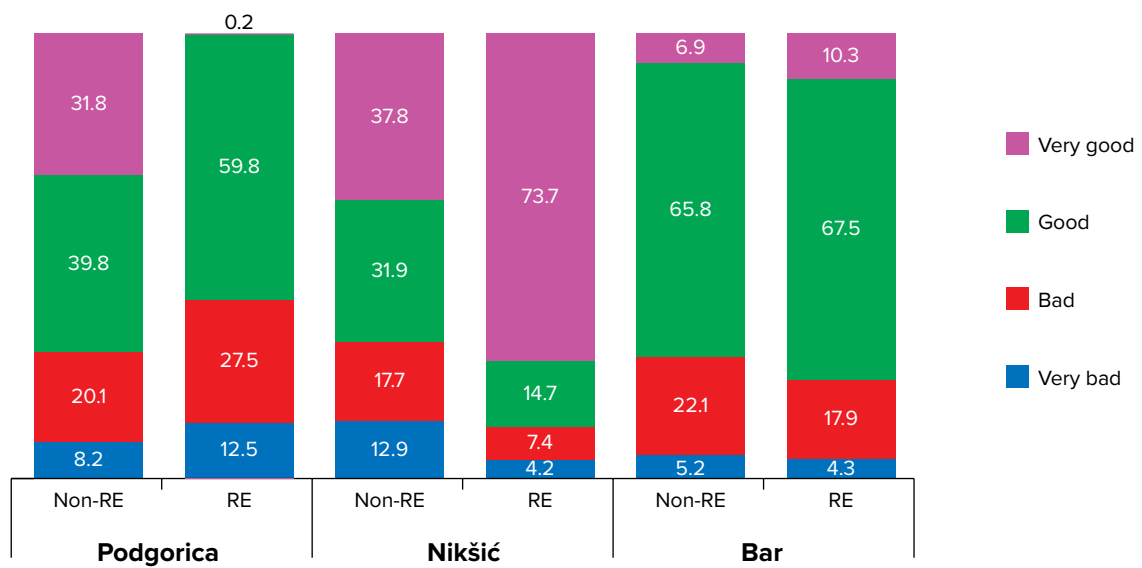
#### ***Self-assessment of health status***

**Even when it does not tally with professional clinical assessments**, self-assessment of one's health status is a relevant indicator of the population's health and an important trigger for individuals to think about being engaged in revenue generation and searching for a job.

In general, a very high percentage of the targeted population assesses its health as being good. When comparing the survey results, it can be concluded that the RE population in Podgorica has the lowest self-declared health status, with 40% of the population claiming it has bad or very bad health. Surprisingly, the RE population in Nikšić is in good or very good health (88.4%). However, one should bear in mind that the RE population often only considers an illness which physically incapacitates the sufferer as a serious illness (Graph 12).



**Graph 12:** Self-assessment of health status (%)



When asked if they had suffered from an illness or injury which caused the termination of regular activities, one in three RE people in Podgorica (35.7%) responded positively, while on average, one in five non-RE people faced the same situation (19.9%). Disabilities are most present among the non-RE population in Nikšić (28.8%), as well as among the RE population in this municipality (8.9%). The most common disabilities are physical ones, but mental illness is also present among the non-RE population in Nikšić (23% of those who reported disabilities).

**Table 6:** Health status indicators

	Podgorica		Nikšić		Bar	
	Non-RE	RE	Non-RE	RE	Non-RE	RE
No. of households in the sample	126	76	83	17	179	21
<b>Illness or injury which caused termination of regular activities</b>						
Yes	19.9%	35.7%	25.2%	8.7%	21.2%	13.6%
No	81.1%	64.3%	74.8%	91.3%	78.8%	86.4%
<b>Chronic non-communicable disease</b>						
Yes	25.9%	7.5%	25.7%	11.6%	26.9%	15.4%
No	74.1%	92.5%	74.3%	88.4%	73.1%	84.6%
<b>Any disability</b>						
Yes	4.3%	2.3%	28.8%	8.9%	6.5%	1.7%
<b>Does that disability prevent your economic activity?</b>						
Yes	76.9%	26.7%	66.1%	100%	51.5%	100%
No	23.1%	73.3%	33.9%	0%	48.5%	0%

The questionnaire offered the option to specify the illness/injury and type of chronic non-communicable disease that the respondents suffered from. Based on the feedback obtained, it can be concluded that in the majority of cases these were health conditions affecting the capacity of the respondent to perform any kind of economic activity.

### 3.6 EDUCATION

The non-RE population is characterized by a somewhat better level of education than the general population of Montenegro, according to the 2011 Census, with a smaller percentage of those who have completed only primary school or have not completed primary school. However, compared to the general population, a smaller proportion of them had completed higher education (only 4.4% of men and 3.4% of women, compared to 18.3% of the male and 16.1% of the female resident population). On the other hand, the RE population is characterized by a very low level of education – as many as 28.6% of RE men and 52.7% of RE women have not finished any level of schooling. The percentage of those who have completed only primary school or who have not completed primary school is very high as well, with only a small percentage completing secondary education and none with higher education among the surveyed respondents (Table 7).

**Table 7:** A comparison of results on the educational level with the 2011 Census, population 15+ (%)

	Muškarci			Žene		
	Non-RE	RE	Montenegro, 2011 Census	Non-RE	RE	Montenegro, 2011 Census
No schooling	1.0	28.6	0.9	2.2	52.7	3.6
Only primary school or incomplete primary school	20.9	68.7	23.3	27	45.6	32.8
High school	73.7	2.7	57.0	67.4	1.6	47.1
Higher education	4.4	0	18.3	3.4	0	16.1
No response	0	0	0.5	0	0	0.5

Table 8 presents data about the education level of the target populations by municipality. A very small percentage of the surveyed former IDPs/DPs in Montenegro have completed higher education – only non-RE former IDPs/DPs (3.9% in Podgorica, 5.8% in Nikšić, and only 2.5% in Bar). On the other hand, what is most striking is the situation of the RE population, which records high percentages of those who have no schooling or who have not finished primary education. As expected, this represents an important limitation in getting a decent job, and in the long run negatively shapes the perspectives for employment of the RE population.

**Table 8:** Education level

	Podgorica		Nikšić		Bar	
	Non-RE	RE	Non-RE	RE	Non-RE	RE
No. of households in the sample	126	76	83	17	179	21
<b>Education category</b>						
Without schooling	2.9%	34.7%	2.6%	14.9%	6.2%	50.6%
Unfinished primary education	13.1%	51.1%	8.9%	54.1%	3.7%	30.6%
Primary education	20.0%	12.8%	11.6%	29.7%	20.5%	16.5%
Secondary education	60.1%	1.4%	71.1%	1.3%	67.1%	2.4%
Higher education	3.9%	0%	5.8%	0%	2.5%	0%
<b>Currently in school (6+)</b>						
Yes	18%	27.7%	13.6%	40.8%	20.9%	31.3%
No	82%	72.3%	86.4%	59.2%	79.1%	68.7%
<b>Average age if in school</b>						
Average age	17.4	12.1	17.1	11.5	16.9	10.7

What is worrying are the reasons presented by the respondents when elaborating on why a household member who should be in school (according to their current age) is not in school, no matter whether this relates to young people who have not completed obligatory education, or older members who have problems in finding a job (Table 9).



Except in the instance of the non-RE populations in Nikšić and Bar, where a significant share of the target population claim that they have reached their desired education level (36.4% and 65.2% respectively), in all other cases the respondents named the reasons that prevented an individual from attending school. The most frequently stated reason was the lack of money to cover the cost of schooling, which for the RE population is likely to refer mainly to decent clothing<sup>6</sup>. Among the non-RE population, the lack of funds referred primarily to school fees and costs related to higher education. Unfortunately “tradition” is still frequently mentioned as an excuse for leaving education, especially for women, along with the equally worrying mention of a “lack of motivation” by all respondents.

A detailed analysis showed that those among the non-RE population who stated that they had no funds to cover the costs of further education were on average 31 years old; those among the RE population prevented by tradition from continuing their schooling were mainly women with an average age of 28 years. In Nikšić, the RE people with no funds to cover the costs of schooling were on average 26 years old, which is the same as in Bar. The non-RE people with no funds to finance further education were on average 29 years old at the time the survey was carried out.



<sup>6</sup> For example, in Podgorica the RE population receives support for sending children to school. This includes free textbooks, as well as organized, free-of-charge transportation.

**Table 9:** Self-reported reasons for not enrolling at school

		Reason 1	Reason 2	Reason 3
Podgorica	Non-RE	Not in a position to cover the costs of education (tuition, transportation costs), 31.6%	Achieved desired education level, 22.5%	Found satisfactory employment, 12%
	RE	Tradition <sup>7</sup> , 49.2%	Not in a position to cover the costs of education (tuition, transportation costs), 14.8%	Lack of motivation, 9.2%
Nikšić	Non-RE	Achieved desired education level, 36.4%	Education interrupted by war and illness, 6.4%	Not in a position to cover the costs of education (tuition, transportation costs), 4.3%
	RE	Not in a position to cover the costs of education (tuition, transportation costs), 40.5%	Marriage, 9.5%	Lack of motivation, 9.5%
Bar	Non-RE	Achieved desired education level, 65.2%	Not in a position to cover the costs of education (tuition, transportation costs), 9.7%	Tradition, 5.8%
	RE	Not in a position to cover the costs of education (tuition, transportation costs), 40.5%	Tradition, 38.2%	Family issues and frequent migrations, 9.1%

Bearing in mind the low education level of displaced persons and especially of RE respondents, as well as the main reasons why they did not enrol in school, the prospects for improvement do not appear very good. The lack of money to cover those costs, along with tradition and the lack of motivation could continue to seriously damage the overall employability of the target population in the long run.

### 3.7 WORKING STATUS

In order to understand the possibilities of employing former IDPs/DPs in Montenegro, it is important that, in addition to their qualifications and health status, the general trends in the labour market in the country are analysed. This is because former IDPs/DPs share the same “destiny” as the resident population in terms of general trends, but they can also benefit from existing support programmes. Analysis of the survey data should enable a better understanding of the specifics of former IDPs/DPs in Montenegro and the opportunities that exist for their employment.<sup>7</sup>

As the survey data suggests, this population records a low level of activity (employed and unemployed people). Compared with the 2016 data from the Labour Force Survey (LFS)<sup>8</sup>, which covers only the resident population (meaning that it does not include the population of former IDPs/DPs in Montenegro), drastic differences in the rates of activity can be observed, with the exception of Bar. According to the LFS, the activity rate of the population of the central region was 58.5%, in the coastal region 59.6%, while in Podgorica it was 61.5%.

<sup>7</sup> There is a tradition in Roma culture that requires girls and boys to marry in their early 'teens. Due to their obligation towards older family members, young Roma, especially women, often withdraw from schooling for the sake of marital life.

<sup>8</sup> Referring to the third quarter of 2016 and conducted by MONSTAT.



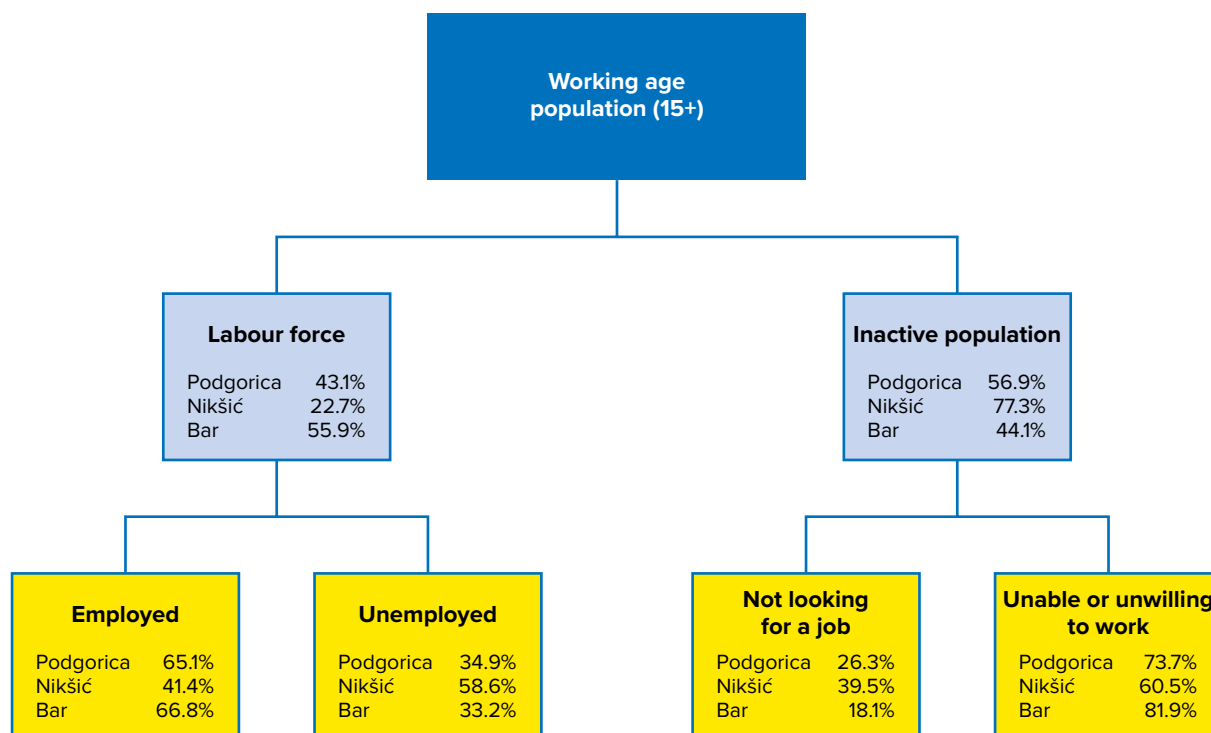
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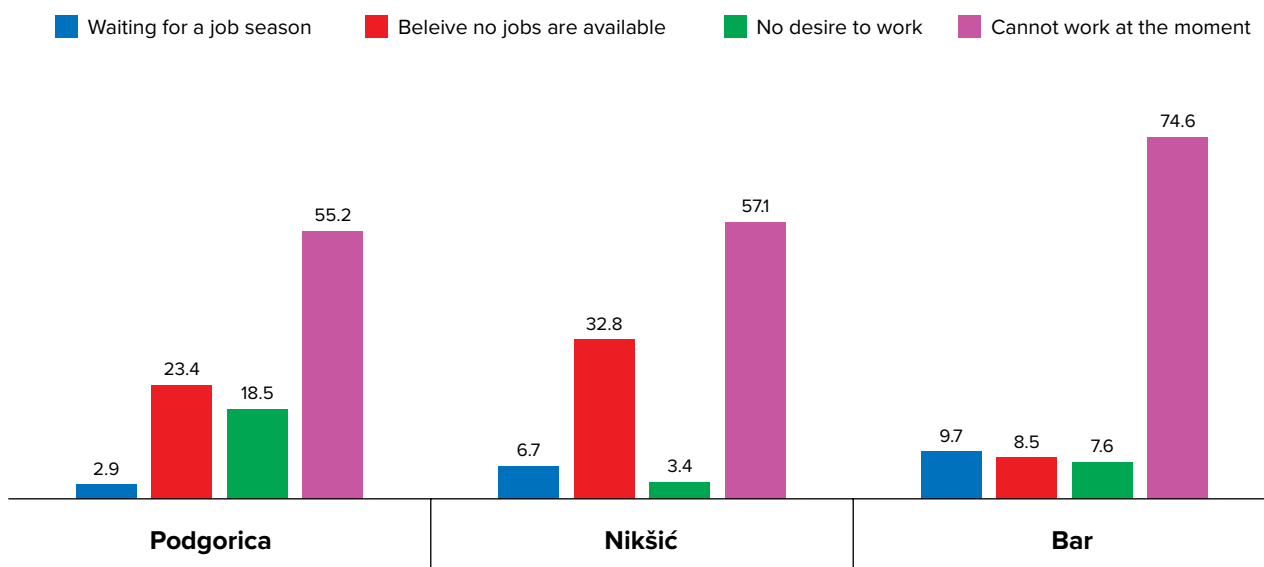
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**Figure 2:** The review of primary groups of the population – former IDPs/DPs



Based on the survey results, the highest number of inactive former IDPs/DPs are those unable or unwilling to work, such as pensioners, housewives, disabled people, pupils and students. On the other hand, the low activity rates are also explained by the fact that some people are not actively looking for a job, but are waiting for the tourist season or believe that there is no work for them in the market, or are willing to work only if they are offered a job (Graph 13).

**Graph 13:** Reasons why former IDPs/DPs are not looking for work (%)



According to the official administrative sources, there are only 717 former IDPs/DPs<sup>9</sup> registered with the national Employment Agency of Montenegro (EAM), the body which keeps track of unemployed people looking for work. Out of these 717 people, 282 are registered in Podgorica (compared to the 4,813 former IDPs/DPs residing in this municipality), 70 in Nikšić (compared to the 560 former IDPs/DPs residing in Nikšić) and only 42 in Bar (compared to the 1,628 former IDPs/DPs residing in Bar, as of December 2016).

The overall employment trends, as well as employment opportunities, are primarily affected by the level of professional qualifications and working experience. The survey results indicate deficiencies in terms of education among the RE population. Most of the RE population consists of individuals with no schooling or incomplete primary education (over 55%). If those with primary school as the highest level of education are also included, this figure rises to 96% of the total RE population. On the other hand, among the non-RE population, secondary education is dominant (over 64%).

**Table 10:** Educational profile of people over 15 years of age (%)

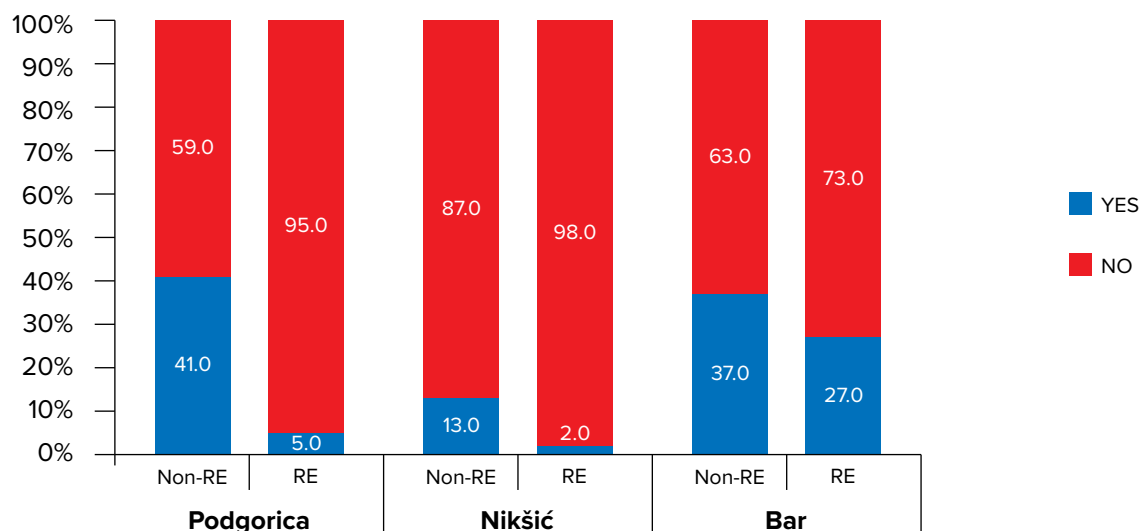
	Podgorica		Nikšić		Bar	
	Non-RE	RE	Non-RE	RE	Non-RE	RE
<b>Without school</b>	1.57	42.59	2.21	22.92	1.48	44.83
<b>Incomplete primary school</b>	9.14	38.15	5.52	33.33	2.75	27.59
<b>Primary school</b>	20.63	17.41	11.60	41.67	19.66	24.14
<b>Secondary education</b>	64.49	1.85	74.59	2.08	73.36	3.45
<b>Higher education</b>	4.18	0.00	6.08	0.00	2.75	0.00
<b>Total</b>	100.00	100.00	100.00	100.00	100.00	100.00

Graph 14 shows the answers from all respondents (15+) about their working activities during the week before the survey, no matter whether this was paid in cash or in kind. The structure of this population in terms of average age and health status are factors that highly influence these statistics. Namely, those who are most active in earning an income are non-RE household members in Podgorica and Bar (41% and 37%, respectively), while this percentage is significantly lower in Nikšić (only 13%).

The RE population is the most active in Bar, with 27% of respondents confirming having worked for at least one hour in some gainful activity. Except in Nikšić, only a small number did not work in the previous week, but do have a job (Table 11). The main reasons given for not working the previous week were “it is not the season” – especially for respondents in Bar – and sickness.

<sup>9</sup> This figure includes both displaced persons and those who have already gained the status of foreigner with permanent or temporary residence. Source: Employment Agency of Montenegro, as of 12 January 2017.

**Graph 14:** Were you involved in any gainful activity, for money or in-kind compensation (at least one hour) during the previous week?



**Table 11:** Have a job but did not work the previous week (%)

	Podgorica		Nikšić		Bar	
	Non-RE	RE	Non-RE	RE	Non-RE	RE
Yes	2.7	1.4	0.0	0.0	3.7	2.4
No	97.3	98.6	100.0	100.0	96.3	97.6

As presented in Table 12, the main sectors in which the target population is engaged are: wholesale and retail trade (almost 30% of all working people, regardless of municipality), then, construction (almost 14% on average across the three municipalities), hospitality (hotels and restaurants – on average 7.3% in Podgorica and in Bar), and crafts and services (on average, 9.2% of all working people across the three municipalities). According to the official statistics, these sectors record the lowest average wages.

Under the option “Other”, the most frequently mentioned working activities were:

- For women: cleaning, taking care of children and the elderly; and
- For men: collecting cardboard and old metal, painting work, locksmiths’ services, ceramics-related services, etc.

This structure of jobs is a reflection of the unfavourable level of education of former IDPs/DPs in Montenegro, where completed secondary education is predominant among the non-RE population, while the RE population mainly has no schooling at all or has not completed primary school (see Table 8).

In addition, in accordance with the needs of the sector and their education, former IDPs/DPs in Montenegro generally perform the duties of service workers and traders, work as professional associates, technicians and clerks and craftsmen and fulfil basic professions (simple jobs) (Table 13).

**Table 12:** Employees by sector (%)

	Podgorica	Nikšić	Bar
Agriculture, hunting, forestry	3.1	0.0	0.5
Fishing	1.0	0.0	0.0
Manufacturing	1.0	4.2	1.4
Water, electric and gas supply	0.0	0.0	0.5
Construction	10.2	16.7	14.0
Wholesale and retail trade	28.1	29.2	28.5
Hotels and restaurants	6.6	0.0	8.1
Transport, storage and communication	5.1	0.0	3.2
Financial intermediation	0.5	0.0	2.7
Public administration, army or police	1.5	8.3	0.9
Education	2.0	0.0	5.0
Health or social work	3.1	4.2	2.3
Crafts and services	6.6	8.3	12.7
Humanitarian organizations, NGOs, etc.	0.5	0.0	0.5
Communal services	0.5	12.5	0.9
Other	30.1	16.7	19.0

In Nikšić, 30.5% of respondents provide craftsmen's services, while 34.8% of them perform simple jobs. In contrast, service workers and traders are most present in Bar and in Podgorica (38.9% and 37.7%, respectively).

**Table 13:** What kind of work do you perform at your workplace? (%)

	Podgorica	Nikšić	Bar
Professional staff, technicians and clerks	21.1	21.7	21.8
Service workers and traders	37.7	13.0	38.9
Workers in agriculture	2.5	0.0	0.9
Craftsmen	8.5	30.5	19.4
Basic/simple jobs	30.2	34.8	19.0
Total	100.0	100.0	100.0

As for their working positions, most respondents are employees in the companies where they work, as follows: 72.7% in Podgorica, 88.0% in Nikšić and 60.9% in Bar. The share of those who are self-employed is far smaller: 21.7% in Podgorica, 12.0% in Nikšić and 36.3% in Bar.

The survey data about the type and duration of working contracts provide indications of the quality of jobs and job security. The findings confirm the various working conditions of former IDPs/DPs in the target municipalities. The highest percentage of employees with full-time contracts is present in Nikšić (80%), while the lowest is in Podgorica (27.6%). However, this data should be interpreted with caution, bearing in mind that in the Municipality of Nikšić only a small number of active people are employed, in nominal terms.

**Table 14:** Main job status (%)

	Podgorica	Nikšić	Bar
Full-time job	27.6	80.0	55.8
Working on contract	17.6	0.0	6.0
Full-time job, but no insurance paid	17.1	4.0	1.9
Part-time job	4.0	4.0	2.3
Seasonal job	9.0	8.0	5.1
Periodical job	24.6	4.0	28.8
Total	100.0	100.0	100.0

As presented in Table 15, the largest number of people are employed in the private sector (on average, almost 75% in all three municipalities), followed by those employed in state-owned companies (4.3% in Podgorica, 20% in Nikšić and 17.4% in Bar).

**Table 15:** Type of ownership of the company in which the main job is performed (%)

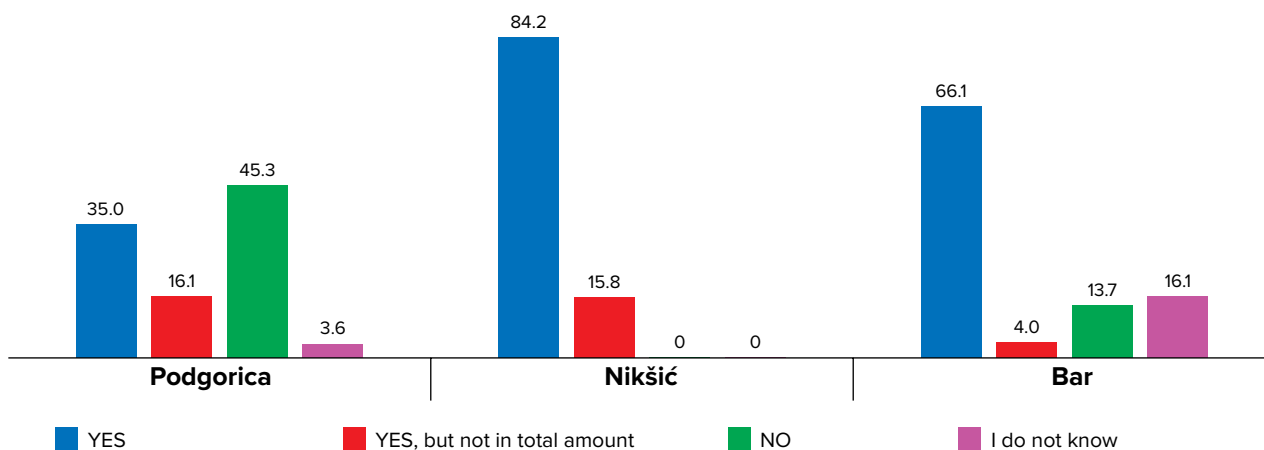
	Podgorica	Nikšić	Bar
Private, registered	69.6	80.0	73.9
Private, non-registered	4.3	0.0	5.2
State-owned	4.3	20.0	17.4
Mixed	1.4	0.0	0.0
Cooperative	0.7	0.0	0.0
Other	19.6	0.0	3.5
Total	100.0	100.0	100.0

The survey data shows that a certain number of employees are engaged in the grey economy. This is indicated by the number of employees in non-registered companies (4.3% in Podgorica and 5.2% in Bar, Table 15), and by the percentage of those who only partially pay or do not pay taxes or contributions at all (Graph 15). For example, almost 62% of working respondents in Podgorica pay no taxes or contributions on wages. This percentage is smaller in Bar – 17.7% and in Nikšić – 15.8%. Also, a high percentage of the self-employed are also engaged in the grey economy (85.7% of them in Podgorica, 33.3% in Nikšić and 72% in Bar, Graph 16).

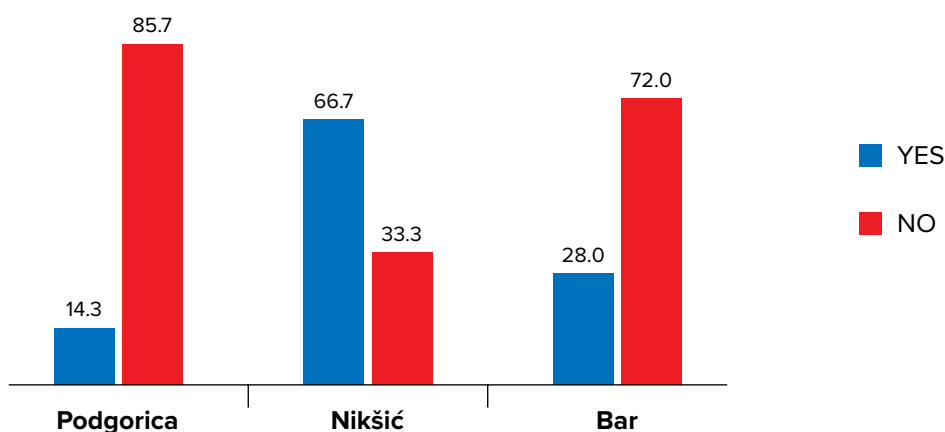
When it comes to additional/secondary activities as ways to improve living standards and contribute to the household budget, this is not very frequent among former IDPs/DPs in Montenegro. The survey shows that 6.2% of respondents in Podgorica declared that they have a second job, as well as 4.0% in Nikšić and 3.3% in Bar. When asked about the ways to improve their economic situation, almost one-third of the respondents from Podgorica claimed that they would benefit from working in the profession for which they had been educated, which was not the case at the moment, since they would accept any kind of job. Also, the following things were mainly mentioned: additional training for specific fields (crafts and higher education – 24.1% in Podgorica and 16.1% in Bar) and support for business start-ups (starting capital – 18.0% in Podgorica, 25.0% in Nikšić and 14.4% in Bar), as well as to improve the working conditions in existing jobs (under *Something else*, Graph 17).



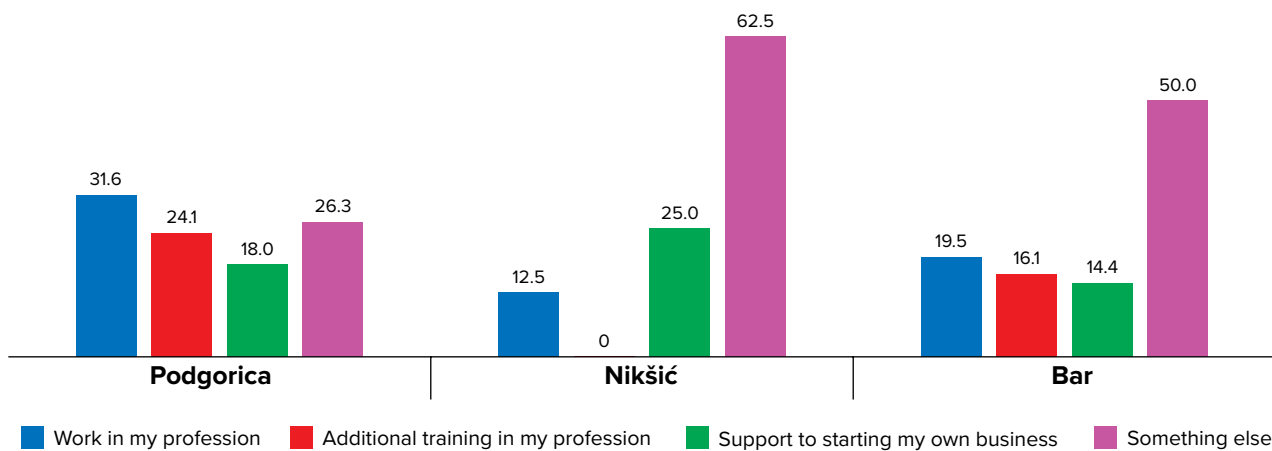
**Graph 15:** Payment of taxes and contributions on wages (%)



**Graph 16:** Registration of business activities – self-employed (%)



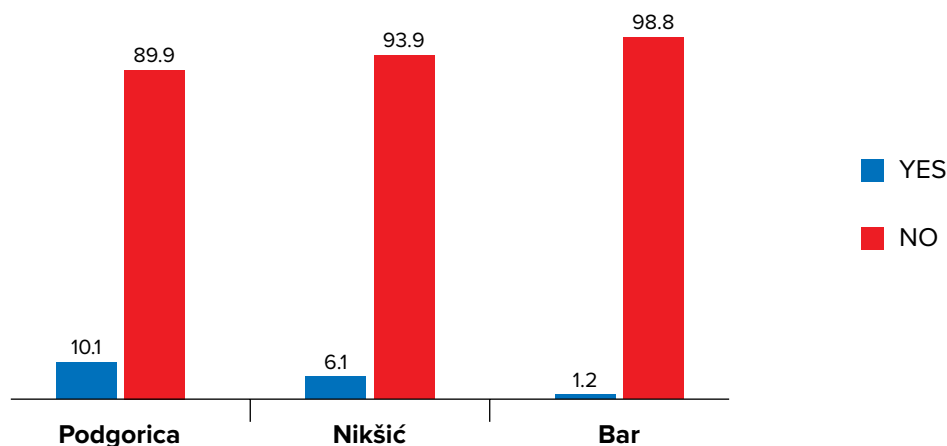
**Graph 17:** How to improve one's own economic situation? (%)



In the previous period, the Employment Agency (EAM) organized numerous training courses for the unemployed in order to improve their skills and increase their employability.

However, the survey data shows that unemployed respondents who are former IDPs/DPs were not included in those training courses to a larger extent or in any other training programmes (only 10.1% in Podgorica and 6.1% in Nikšić, while only 1.2% of the unemployed respondents confirmed they had received training in order to get a job, Graph 18). One of the reasons is a lack of understanding of the importance of training and a lack of interest shown in gaining new knowledge and skills.

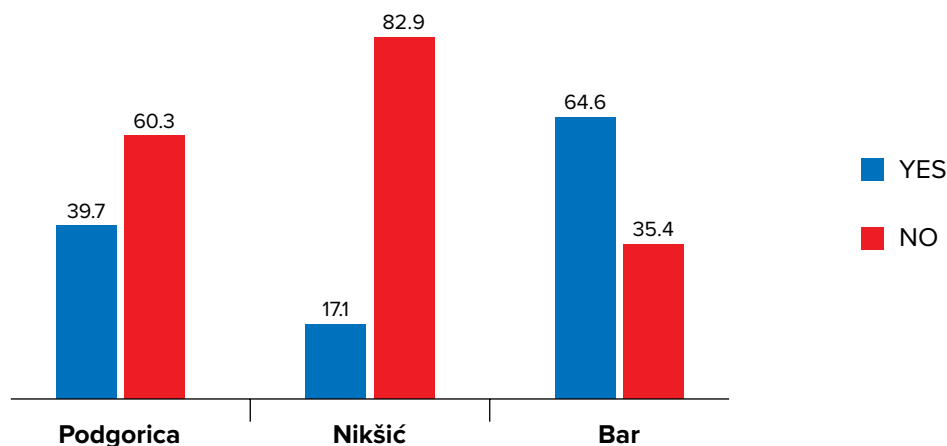
**Graph 18:** Are you receiving training in order to get a job? (%)



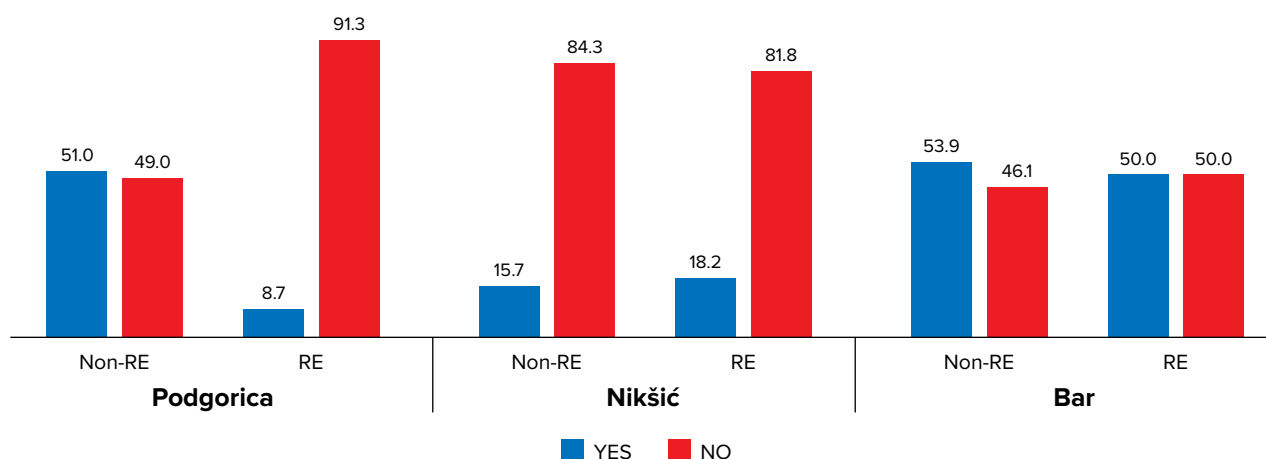
Those most interested in attending a training course(s) that could lead them to getting a job are the respondents in Bar – 64.6%, compared to 39.7% of the respondents in Podgorica and only 17.1% in Nikšić (Graph 19). Graph 20 shows the percentages of those non-RE and RE respondents interested in additional training for each municipality. It can be concluded that those who are most interested in acquiring new skills and knowledge are the respondents in Bar, a fact which has already been mentioned, with relatively equal rates of incidence among non-RE respondents – 53.9%, and RE respondents – 50.0%.

The RE population has very little interest in further self-improvement through gaining new knowledge and skills – over two-thirds of respondents believe that there are no additional skills or knowledge that would contribute to their employability and, ultimately, their employment.

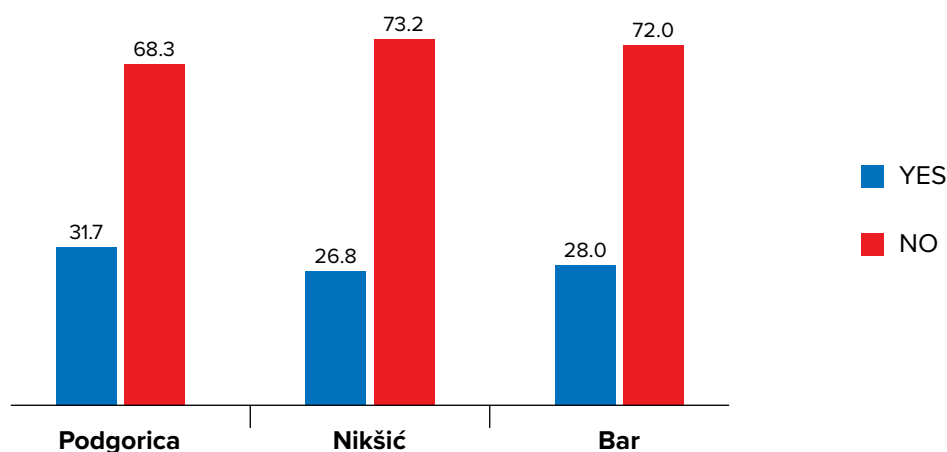
**Graph 19:** Are you willing to attend training to find employment? (%)



**Graph 20:** Are you willing to attend training to find employment? (%)



**Graph 21:** Do you think that there are some skills and knowledge in certain areas that would help you to get a job? (%)



In order to learn which skills and knowledge the respondents believe would be useful in order to get a job, the survey questionnaire contained an open question on this. Respondents, who expressed a readiness to attend training to increase their employability, mentioned a need for English language and other foreign languages, computer courses, training for construction work, courses in cosmetics, in sewing and in accounting.

On the other hand, a large percentage of non-RE respondents in Podgorica (45.5%) and RE respondents in Bar (85.7%) said that they would not be able to afford such training courses that would increase their employability. The RE population in Nikšić shared that they do not believe that training would help them find a job (65%) and that is the reason why they are not attending any. The same goes for 52.3% of the non-RE population and 66.7% of the RE population in Nikšić, who said that training would not help them find a job in the future either. The perspective for 37.5% of the non-RE population in Podgorica is not bright and the same is reported by 66.7% of the RE population in Bar, who shared that they would not be able to afford training in the future either (Table 16).

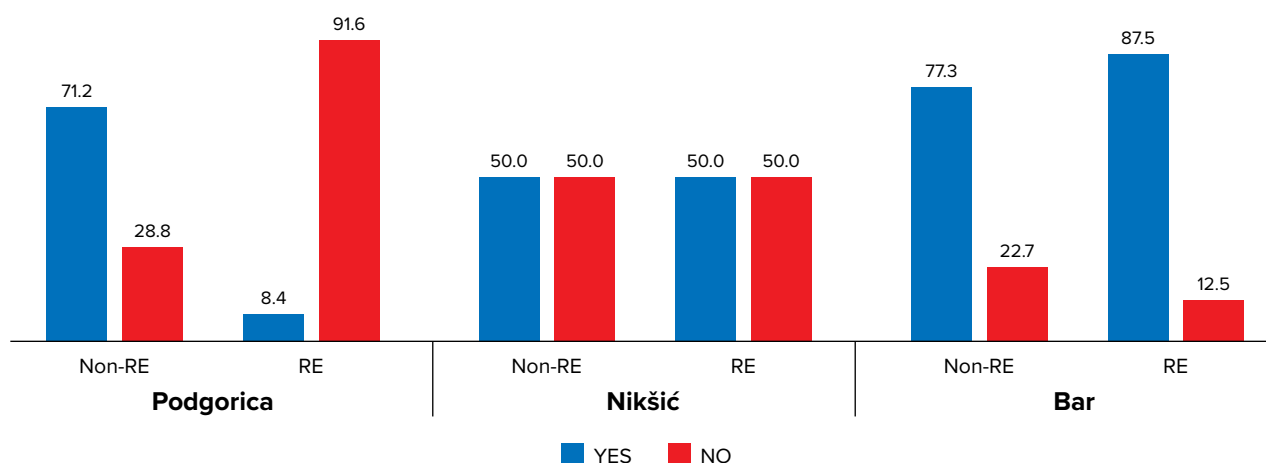
**Table 16:** Reasons for not attending training and why they would not be willing to attend in the future (%)

Reasons for not attending training	Podgorica			Nikšić			Bar			Total
	Total	Non-RE	RE	Total	Non-RE	RE	Total	Non-RE	RE	
Training would not help me find a job	22.7	11.1	36.5	43.9	35.7	65.0	26.1	31.2	0.0	28.2
There is no such training	29.3	22.2	37.8	28.7	32.1	20.0	28.8	34.4	0.0	29.0
I cannot afford it	28.5	45.5	8.1	9.0	12.5	0.0	29.2	18.2	85.7	24.5
Not interested	14.1	11.1	17.6	10.6	8.9	15.0	11.5	11.0	14.3	12.6
Other	5.5	10.1	0.0	7.8	10.7	0.0	4.4	5.2	0.0	5.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Reasons for not being willing to attend any training in the future	Podgorica			Nikšić			Bar			Total
	Total	Non-RE	RE	Total	Non-RE	RE	Total	Non-RE	RE	
Training would not help me find a job	28.0	17.5	40.5	56.3	52.3	66.7	52.9	63.2	0.0	41.1
There is no such training	24.5	10.0	41.9	8.4	9.1	6.7	4.9	5.9	0.0	15.6
I cannot afford it	22.9	37.5	5.4	4.9	6.8	0.0	18.2	8.8	66.7	17.7
Not interested	15.1	17.5	12.2	22.2	20.5	26.7	17.7	14.7	33.3	17.4
Other	9.5	17.5	0.0	8.2	11.4	0.0	6.2	7.4	0.0	8.3
Ukupno	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

The survey data shows that a number of unemployed people have some experience mostly as utility workers and traders/salespersons, in basic or simple occupations, as well as support staff, technicians and clerks. If at all, the RE population is mostly experienced in basic or simple jobs (over 80% of respondents). On the other hand, the RE unemployed population in Podgorica (9 out of 10 of them) claim to have no previous working experience, which additionally reduces their chances of getting a job. The non-RE unemployed population both in Podgorica and in Bar does have previous working experience (71.2% and 77.3%, respectively). For the non-RE population, their previous experience is mainly linked to positions in the service and trade sectors, and as professional staff, technicians and clerks, while the RE population has performed basic or simple jobs (Table 17) only.

**Graph 22:** Have you ever worked or have you been involved in some work? (%)

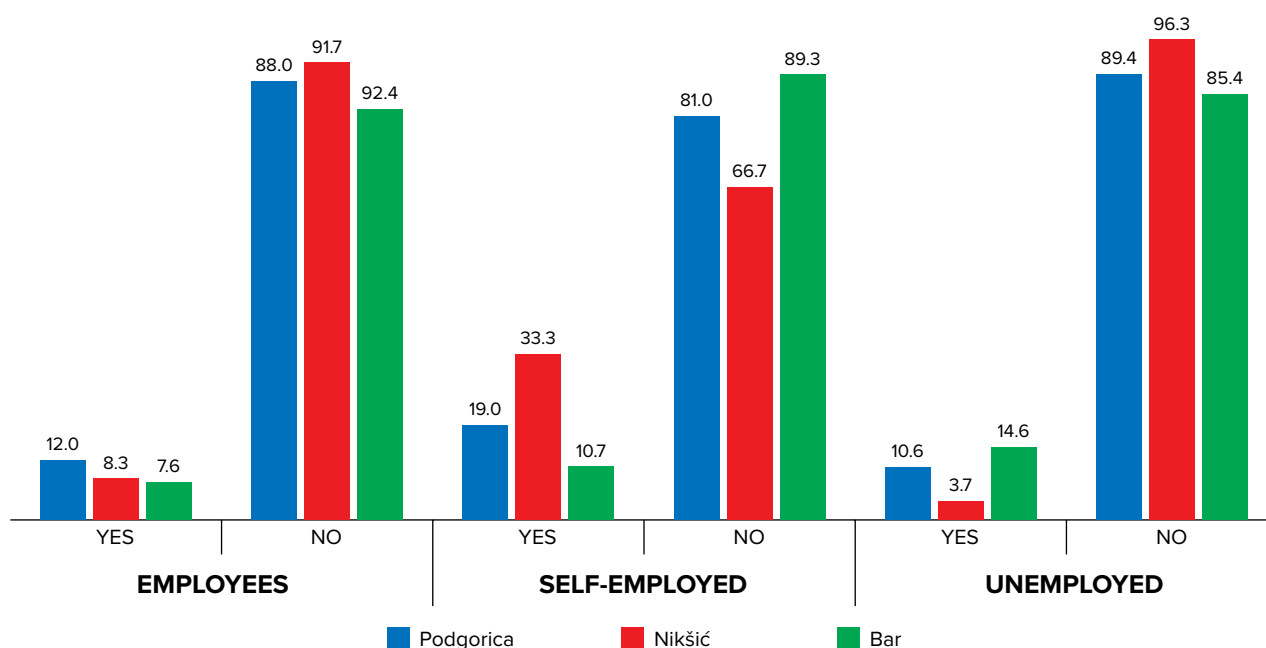


**Table 17:** What kind of work have you performed? (%)

	Podgorica			Nikšić			Bar			Total
	Total	Non-RE	RE	Total	Non-RE	RE	Total	Non-RE	RE	
Professional staff, technicians and clerks	9.6	17.6	0.0	12.4	17.2	0.0	21.8	26.1	0.0	13.6
Service workers and traders	20.6	37.8	0.0	19.9	27.6	0.0	39.6	44.5	14.3	25.7
Agricultural workers	0.0	0.0	0.0	2.4	3.4	0.0	1.4	1.7	0.0	0.9
Craftsmen	12.8	9.5	16.7	19.9	27.6	0.0	7.0	8.4	0.0	12.7
Basic or simple jobs	57.0	35.2	83.3	45.4	24.1	100.0	30.1	19.3	85.7	47.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

The desire to start a business as a way to improve living standards or to become employed is present to a certain extent among the displaced population, especially among the self-employed. Namely, 12.0% of those who are currently employed, 19.0% of those self-employed and 10.6% of the unemployed in Podgorica are planning to start a private business in the near future. The same goes for 33.3% of the self-employed in Nikšić and 14.6% of unemployed former IDPs/DPs in Bar. However, this still does not mean that they have the required skills. The largest limiting factor for launching their own business is the lack of resources or funding opportunities under the conditions prescribed by the current support programmes.

**Graph 23:** Are you planning to start a private business in the near future? (%)



According to the research, possible business development would be mostly based on service/craft industries, trade, hospitality and other mainly service-oriented sectors. Below is an overview of the business ideas nominated by the respondents (with the net frequency mentioned in brackets).

The potential business ideas nominated by the respondents included: air conditioning and plumbing services (3), car electricians' and electrical services (2), car spray-painting, car wash/ car repair/spare parts shop (5), ceramic services (1), production and installation services for PVC doors and windows (1), carpentry shop (1), plumbing services (1), construction work (2), hairdressing and beauty services (10), independent taxi driver services (3), trade (11), restaurant (6), cake and pastry shop (1), ice cream production (1), consulting services (1), accounting services (2), construction company (1), geodetic firm (1), real estate consultancy (1), private laboratory services (1), cow farm – milk production (1), food production (1), poultry smallholding (1), sheep smallholding (1), tailor-made knitwear and machine knitwear (3), jewellery production (1), private therapist's practice (1), collection of secondary raw materials (1), handicraft work (1) and education of children (1).

### 3.8 SOCIAL PROTECTION

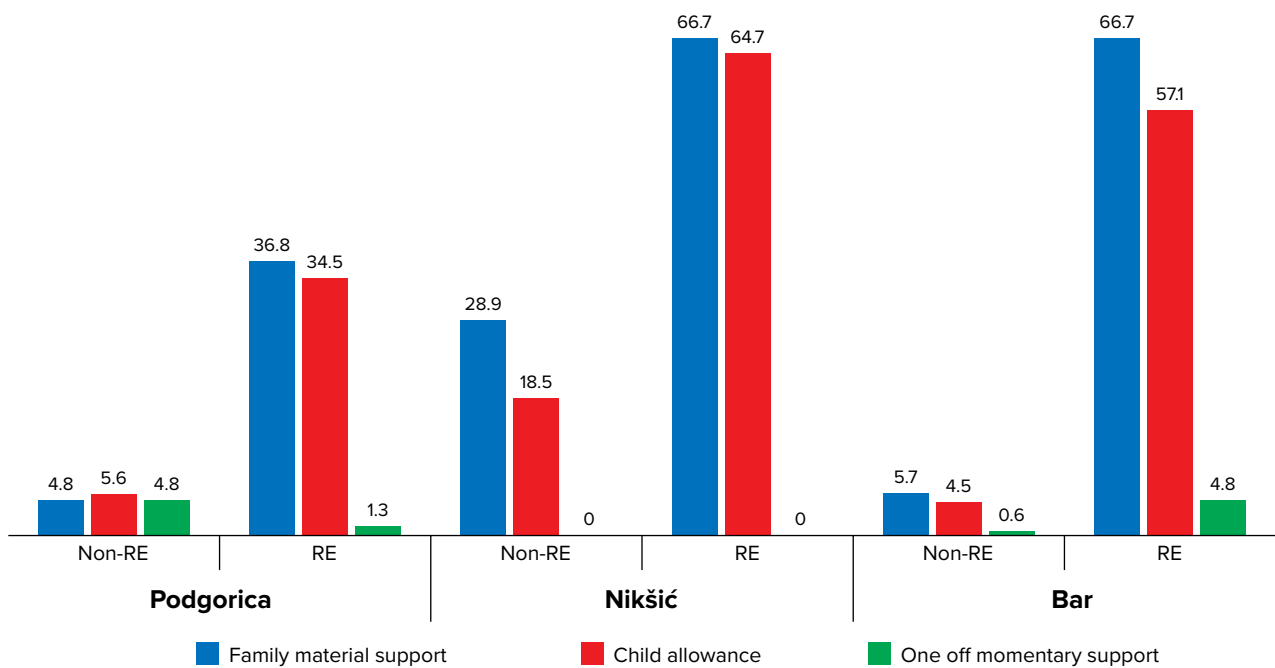
Despite the fact that the Government of Montenegro passed the *Decree on the Manner of Exercising Rights by Displaced Persons in 2010*, which provides former IDPs/DPs in Montenegro with access to social and child protection as accorded to Montenegrin citizens, and bearing in mind the poor living standards of this section of the population, social protection coverage is still low. When asked why they had not applied for material support, 6 out of 10 (60%) respondents claimed that it was difficult to obtain the necessary documentation, while one-tenth (10%) of all respondents said they did not have enough information about the process.

The analysis examined the social protection coverage through material support, child allowance and one-off momentary support. Graph 24 shows the incidence of social protection

within each target population. Social protection is most present among the RE populations in Nikšić and in Bar, while it is least present among the non-RE populations in Podgorica and Bar.



**Graph 24:** Social protection coverage by population (%)



When asked why they had not applied for family material support, 57.8% responded that it was difficult to get documentation, 12.2% said that they had not been informed about the process, while 10% said that they would achieve nothing in any case; 3.3% claimed that they are well provided for, while 2.2% said that a bad attitude among social workers discouraged them from applying. Among those 14.4% that stated “other reasons”, the majority blamed the lack of documentation, but some of them still distrusted the system claiming that “no one will give support to a foreigner”.

### 3.9 HOUSEHOLD INCOME

The analysis carried out thus far shows that the displaced population is vulnerable due to its low activity rate, the low level of employment and the employment generally in those sectors which have the lowest average salaries in the country. Household income analysis confirms these findings and additionally points out the vulnerability of the RE population.

Table 18 presents the three most frequently mentioned sources of income by municipality. Regardless of the location, collecting scrap materials is the primary source of income for the RE population. The second most frequently quoted source of income is seasonal working engagements of some household members, except among the RE population in Nikšić, which reports higher social assistance as source of revenue. As for the non-RE population in Podgorica and Bar, the employment of at least one family member is the main source of income, while in Nikšić the dominant source of income is the pension of a family member. Interestingly, one in 15 non-RE households in Podgorica also mentioned assistance from relatives and friends as sources of income.

**Table 18:** The three most frequently mentioned sources of income

		Source of income 1	Source of income 2	Source of income 3
Podgorica	Non-RE	Someone in the household is employed all the time, 78.4%	Someone in the household is receiving a pension, 40%	Assistance from relatives and friends, 6.4%
	RE	Collection and sale of scrap material (paper, metal, etc.), 91.9%	Family members are engaged as seasonal workers, 35.1%	Social assistance and child allowance, 14.7%
Nikšić	Non-RE	Someone in the household is receiving a pension, 36.2%	Family members are engaged as seasonal workers, 33.3%	Someone in the household is employed all the time, 27.5%
	RE	Collection and sale of scrap material (paper, metal, etc.), 33.3%	Family members are engaged as seasonal workers, 33.3%	Social assistance and child allowance, 30.5%
Bar	Non-RE	Someone in the household is employed all the time, 60.5%	Family members are engaged as seasonal workers, 35.2%	Someone in the household is receiving a pension, 33.5%
	RE	Collection and sale of scrap material (paper, metal, etc), 66.7%	Social assistance and child allowance, 57.1%	Someone in the household is employed all the time, 23.8%

Traditional household surveys collect information about the income and expenditures of households based on a diary, which households are obliged to keep in detail. One-off data collection is not entirely reliable, as respondents tend to exaggerate, usually underestimating



their revenues and overestimating expenditures. Bearing this in mind, self-assessment of a household's poverty could be equally unreliable. However, by questioning the personal assessment about the households' financial situation, information about overall trends is collected, as this tends to correlate with objective poverty.



### **Poverty Self-Assessment**

The subjective poverty indicators presented in Table 19 once again confirm the vulnerability of the RE population, with 6 out of 10 (60%) of them in Podgorica, and 9 out of 10 (90%) in Nikšić and in Bar claiming that they did not have enough money for food over the month prior to the survey. This caused a situation in which households did not have three meals per day (in 9 out of 10 cases in Nikšić and in Bar). The situation is somewhat better with the non-RE population, with the exception of Nikšić, where the non-RE population appears to be the most vulnerable. The figures are even worse when respondents were asked to project their financial situation – more than 70% of the non-RE population in Podgorica, 65% of them in Nikšić and 60% in Bar evaluated their financial situation as “bad” or “very bad”. In total, 8 out of 10 (80%) non-RE households in Nikšić believe that finding food for their household in the long term is a major problem, or at least a problem. By reviewing these figures, one can conclude that the subjective perspectives for the future among these households are rather negative.

**Table 19:** Subjective poverty indicators (%)

	Podgorica			Nikšić			Bar			Total
	Total	Non-RE	RE	Total	Non-RE	RE	Total	Non-RE	RE	
No. of households in the sample	202	126	76	100	83	17	200	179	21	502
<b>Did you have enough money to pay for food last month?</b>										
Yes	52.0	64.3	37.3	33.2	43.8	5.9	61.9	72.1	9.5	50.8
No	48.0	35.7	62.7	66.8	56.3	94.1	37.7	27.4	90.5	49.2
<b>Did you have three meals per day?</b>										
Yes	54.8	67.5	39.5	37.2	49.4	5.9	60.6	71.5	4.8	52.6
No	45.2	32.5	60.5	62.8	50.6	94.1	39.4	28.5	95.2	47.4
<b>During the previous month, did you consume meat (fresh or canned):</b>										
Yes, enough	44.2	46.0	42.1	31.4	41.3	5.9	40.5	47.5	4.8	40.4
Yes, but not enough	54.0	50.8	57.9	57.6	55.0	64.7	53.7	47.5	85.7	54.7
No	1.8	3.2	0	11.0	3.8	29.4	5.8	0.6	9.5	4.9
<b>During the previous month, did you consume fruit or vegetables (fresh or canned):</b>										
Yes, enough	46.0	49.2	42.1	30.6	28.8	35.3	44.7	52.5	4.8	42.3
Yes, but not enough	52.7	48.4	57.9	63.1	62.5	64.7	50.9	44.1	85.7	54.4
No	1.3	2.4	0	6.3	8.8	0	4.4	3.4	9.5	3.3
<b>In the long term do you think that finding enough food for your household is</b>										
A major problem	33.9	16	55.3	52.9	39.2	88.2	22.8	12.4	76.2	34.9
A problem	46.2	49.6	42.1	34.4	43.0	11.8	45.5	49.7	23.8	43.4
No problem at all	19.9	34.4	2.6	12.7	17.7	0	31.7	37.9	0	21.7
<b>How do you see your current financial situation?</b>										
Very bad	36.3	23.8	51.3	42.4	26.9	82.4	23.5	14.2	71.4	34.0
Bad	41.2	49.2	31.6	31.0	38.5	11.8	42.9	46.6	23.8	39.5
Good	22.1	26.2	17.1	24.8	32.1	5.9	32.3	38.6	0	25.5
Very good	0.4	0.8	0	1.8	2.5	0	1.3	0.6	4.8	1.0

Still, the expenditure structure is not very different from the Montenegrin population, except in terms of the “food and beverage” share. Namely, the resident population uses one-third of its overall monthly expenditures on food and beverage needs, while this percentages ranges from 42% among the non-RE population in Podgorica and in Nikšić to almost 50% among the RE population in Nikšić and Bar (Table 20). In general, a greater share of expenditure on food out of the total monthly expenditure indicates a lower living standard among the target population.

**Table 20:** Structure of expenditure (%)

	Podgorica			Nikšić			Bar			Total sample	Montenegro <sup>10</sup>
	Total	Non-RE	RE	Total	Non-RE	RE	Total	Non-RE	RE		Resident population
Food and beverages	44.4	42.2	47.1	45.1	43.8	48.5	48.2	48.2	48.2	45.6	34.2
Alcoholic beverages and tobacco	3.7	3.5	4.0	3.2	4.4	0.2	4.8	3.9	9.6	3.9	3.7
Clothes and footwear	8.0	5.4	11.2	6.5	7.3	4.6	4.4	4.4	4.3	6.7	8.4
Housing, water and electricity	18.0	18.1	17.8	18.8	15.7	26.7	19.4	20.5	13.6	18.5	14.7
Furniture, housing and maintenance	5.9	9.7	1.3	1.8	2.3	0.6	5.2	5.2	5.5	4.8	3.7
Health	2.1	3.1	0.8	2.6	2.8	2.1	2.4	2.6	1.6	2.3	4.2
Transport	3.9	3.9	3.8	5.7	5.9	5.3	3.7	4.2	1.2	4.2	10.5
Communication	6.7	6.1	7.5	4.0	4.6	2.4	5.2	4.8	7.1	5.7	5.8
Recreation and culture	4.3	3.8	4.8	4.6	5.3	2.9	1.1	1.0	1.9	3.5	3.7
Education	2.0	2.8	1.1	3.7	3.8	3.3	3.0	2.4	6.2	2.7	2.6
Restaurants and hotels	0.2	0.4	0.0	0.5	0.7	0.0	0.4	0.5	0.0	0.3	3.2
Other goods and services	0.8	1.0	0.6	3.4	3.5	3.5	2.1	2.3	1.0	1.7	5.3

The picture is very different when the sources of the total available assets are analysed (Table 21). Namely, more than 75% of the monthly revenue of the Montenegrin population comes from wages, salaries and pensions, while this percentage is lower with the non-RE population (55–60%) and is much lower with the RE population (from 3.1% in Podgorica to 25.5% in Nikšić). The RE population stands out with its share of social assistance as a source, while RE households in Bar rely strongly on small businesses/self-employment. In the case of Podgorica, the survey data shows that the RE population reports only income from regular employment and social insurance, while revenues from the collection of scrap material are mainly not reported, as they consider it unsustainable. In addition to this, the non-RE and RE populations in Nikšić also report a significant share of remittances, especially non-RE households (26%).

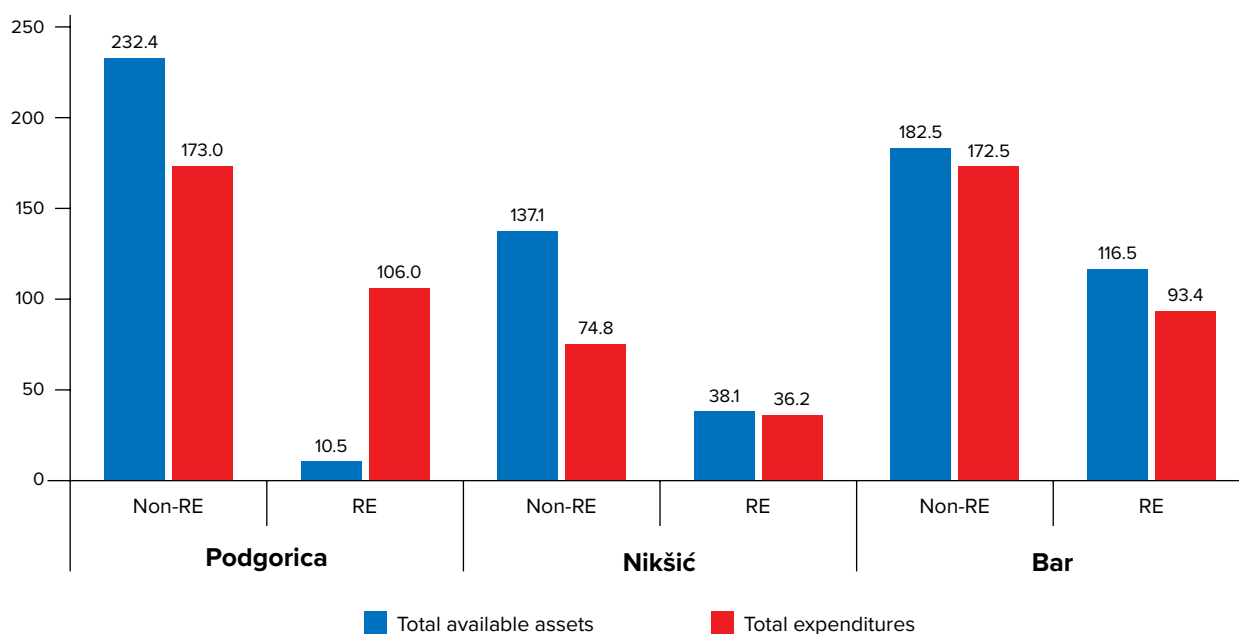
<sup>10</sup> Source: MONSTAT, data for December 2015.

**Table 21:** Total available assets

	Podgorica		Nikšić		Bar		Montenegro <sup>11</sup>
	Non-RE	RE	Non-RE	RE	Non-RE	RE	Resident population
Wages and salaries	48.8%	3.1%	30.6%	25.5%	45.2%	7.4%	58.8%
Income from pension insurance	8.5%	-	22.4%	-	15.6%	0.7%	28.1%
Income from social insurance	3.5%	96.9%	7.2%	59.2%	2.8%	19.3%	1.5%
Income from agriculture	3.0%	-	0.8%	-	0.6%	0.0%	3.0%
Income from small businesses	35.1%	-	8.9%	-	34.8%	65.8%	3.0%
Wages in kind	-	-	4.2%	4.6%	-	-	0.0%
Income from property	-	-	-	-	-	-	1.5%
Gifts and gain	-	-	-	-	-	-	2.5%
Other available assets	-	-	-	-	-	-	1.5%
Remittances	1.1%	0.0%	25.9%	10.6%	1.0%	6.8%	

Though not fully comparable, Graph 25 presents the available assets and expenditure per capita per month for each population group, as self-declared.

**Graph 25:** Comparison of total available assets and total expenditures per capita (€)<sup>12</sup>



<sup>11</sup> Source: MONSTAT, data for December 2015.

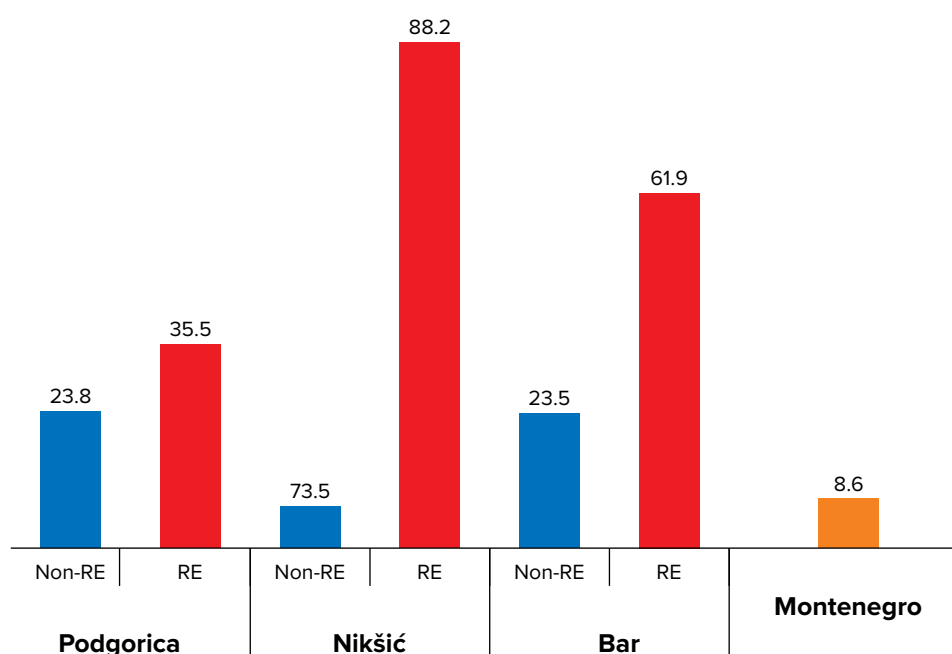
<sup>12</sup> Data for the Montenegrin resident population refers to average per capita household expenditure and available assets in 2015.

## Objective Poverty Assessment

The Official Statistics Bureau of Montenegro (MONSTAT) used to produce its poverty-related statistics based on a household survey and by using expenditure as a more objective measurement of living standards, instead of revenues. The most recent data is from 2013, when the absolute poverty line amounted to €186.50 per month per equivalent scale unit. According to this, 8.6% of the Montenegrin population was below the defined absolute poverty line<sup>13</sup>.

Applying the same methodology by calculating monthly expenditures on a unit equivalent scale<sup>14</sup>, the poverty rates among the target populations can be estimated. The overall poverty rate among non-RE displaced persons is 34.3%, while a half of the representatives of the RE population (48.2% in total) are considered poor. Analysed by municipality, the greatest poverty incidence is recorded in Nikšić, regardless of ethnicity, followed by the RE population in Bar (Graph 26).

**Graph 26:** Poverty rates among the displaced population per municipality (%)



<sup>13</sup> For more information please see [http://www.monstat.org/userfiles/file/analiza%20siromastva/2013/ANALIZA%20SIROMAŠTVA%20U%20CRNOJ%20GORI%20U%202013\\_godini.pdf](http://www.monstat.org/userfiles/file/analiza%20siromastva/2013/ANALIZA%20SIROMAŠTVA%20U%20CRNOJ%20GORI%20U%202013_godini.pdf)

<sup>14</sup> In order to be able to use the absolute poverty line calculated by MONSTAT for calculation of objective poverty, the reported monthly expenditures were corrected by the difference in the size of the household using the modified OECD scale (unit equivalent scale = 0.5 + 0.5 × no. of adults + 0.3 × no. of children). According to this methodology, people up to 14 years of age are considered children, and people above 14 years of age are considered adults.

# 4. MONTENEGRIN LABOUR MARKET ANALYSIS

During the last 10 years, Montenegro's economic development has been characterized by significant changes, which have been caused mainly by external factors. After a period of growth with a high level of foreign direct investments (FDI) in the period 2007–2008, followed by a decline in 2009 influenced by the global economic crisis, it was clear that economic growth driven by external factors was unsustainable, as well as that more attention should be given to internal development factors including: the efficient use of natural resources, modernization of production methods and creating new products. The period 2010–2012 was characterized by alternating growth and decline in the gross domestic product. In 2013, the economy began to recover, achieving constant growth in the period 2013–2015. GDP growth in the last three years was the result of growth in the value of production in almost all the most important sectors, primarily in tourism, agriculture, industrial production, construction and transportation.

The aforementioned economic developments have had an impact on the labour market. In the last five years there has been a constant increase in the number of employees. However, the problem is the structure of employment by sector of activity and the high participation of employees in non-productive sectors such as public administration, education, health and social care and administrative activities. An analysis of employment by sector shows a similar pattern as in other transition economies, where employment in the services sector is growing at the expense of reduced employment in the industrial sector. In the context of economic activities, the largest numbers of employees are in the retail sector (20.8%), accommodation and food (8.2%), and manufacturing (6.4%). Increasing employment in services was primarily caused by the development of tourism and the growth of employment in trade, real estate and financial intermediation.

Labour market policy measures did not produce the desired results, a fact which has been confirmed by basic parameters such as: the unemployment rate, the number of unemployed people, as well as changes in the level and structure of unemployment. The total unemployment of the population according to the data of the Employment Agency in 2015 amounted to 17.2%, which represents the highest unemployment rate in the last five years. High levels of unemployment are accompanied by structural problems in the labour market, such as long-term unemployment, a large number of unemployed people who are considered less employable, high youth unemployment, an increased number of unemployed university graduates, the seasonal nature of employment and a large foreign labour force. Considering the level of education, unemployed people from groups with levels VI, VII and VIII of education record the lowest participation in unemployment, while those with levels III, IV and V of education record the largest share<sup>15</sup>.

<sup>15</sup> Level of qualification/education: Sub-level I-1 – without any education; Sub-level I-2 – completed primary education; Level II – lower vocational education; Level III – three-year vocational education; Sub-level IV-1 – four-year general and vocational education; Sub-level IV-2 – master craftsmen & level-V education; Level V – higher vocational education; Level VI – higher education – 180 ECTS credits; Sub-level VII-1 – higher education (240, 180+60, 300, 360 ECTS); Sub-level VII-2 – higher education (180+120, 240+60 ECTS), Level VIII – higher education qualification (300+180 ECTS).

<sup>1</sup> ECTS = European Credit Transfer and Accumulation System.

Table 22: Labour market trends – employment and unemployment

	2010	2011	2012	2013	2014	2015
<b>Employed people (annual average)*</b>	161,742	163,082	166,531	171,474	173,595	175,617
<b>Unemployed people (annual average)**</b>	31,864	30,869	30,182	32,190	33,284	34,587
<b>Unemployment rate (%)**</b>	12.1	11.6	13.5	14.9	14.9	17.2
<b>Unemployed persons in thousands LFS*</b>	51.3	48.1	49.4	48.9	47.5	47.2
<b>Unemployment rate LFS (%)*</b>	19.7	19.7	19.7	19.5	18.0	17.6

Source: \*MONSTAT Labour Force Survey, \*\*Employment Agency of Montenegro<sup>16</sup>

According to the UNDP's Report on Human Development for 2015 which focuses on informal work in Montenegro, nearly one-fifth (22.3%) of the total number of employees were informally employed, while one-sixth of respondents (17.5%) were formally employed but paying only part of their taxes and contributions. In the context of unregistered employees in Montenegro, close to 70% of individuals are unregistered self-employed, which points to the development of small-scale entrepreneurship in the informal sector. Also, the research has shown that the rate of informal employment is the highest in the group of those employees who have not completed primary school or have only completed primary school. The sectors most affected by informal employment are the service sector, trade, agriculture, tourism, manufacturing and construction. The survey showed that a quarter of the recipients of social assistance, who are physically able to work, are in the category of unregistered employees using the benefits of both informal work and the social safety net. The report listed the most important challenges and obstacles to the formalization of employment – a high fiscal and para-fiscal burden, as well as legislation.

The relatively high employment of foreigners significantly limits the possibility of employment of the local labour force. In 2015, 16,811 work permits for the employment of foreigners were issued, which is 6,250 (or 27.1%) fewer permits than in 2014. Although the employment of foreigners was significantly reduced in 2015, it was still 21.6% higher than the employment of the local labour force. Observed by sectors, most permits were issued in construction (2,822, or 34.8% of the number of licences classified by activity), followed by wholesale and retail trade, repair of motor vehicles and motorcycles (1,015 or 12.5%) and tourism and hospitality (979 or 12.1%).

Unemployment is particularly present among vulnerable groups. More broadly, these are poorly educated people, those with no competence for certain types of jobs, persons with disabilities, Roma, Egyptians, refugees and internally displaced persons, the long-term unemployed, the unemployed who live in less developed areas, etc. The proportion of these groups out of the total unemployment is increasing over time. At the same time, they have been in a bad financial situation for a relatively long period and have little chance of finding a job due to their lack of skills. Also, they are most probably dependent on the country's social protection system.

<sup>16</sup> The differences in terms of the unemployment rate and the number of employees as presented in the table above are caused by the different methodologies deployed. For example, the Labour Force Survey conducted by MONSTAT also includes those who do not have a written employment contract with the employer.

Since 2012, the labour market in Montenegro has recorded negative trends in terms of an increasing number of unemployed people, reduced demand for labour and lower employment<sup>17</sup>.

The overall labour force in 2015 (77,697) was 10.7%, or 7,535 higher than in 2014. When it comes to the structure of total supply in 2015, the participation of individuals below 25 years old was 22.5%, while 19.3% were older than 50 years, and the share of people without work experience was 33.7%.

The level of demand in 2015 was 12,370 (or 25.8%) lower than in 2012. In terms of the structure, the largest share was accounted for by the sectors of hospitality and tourism and trade and construction, which together accounted for 46.2% of the total demand. In 2015, the share of the hospitality sector increased to 20% and construction to 13.1%, while industry (including mining and quarrying, manufacturing, electricity, gas, steam and air conditioning supply) fell to 4.2%<sup>18</sup>. In terms of the qualification structure of demand, in 2015 the share of the unskilled and semi-skilled labour force out of total demand increased to 47.1%, the demand for employees with secondary education fell to 35.1%, while the demand for highly educated labour increased to 17.8% of the total demand.

In 2015, employment fell by 7,695, or 34.5% of realized employment in 2012. In the past there have been significant changes in the structure of employment. The share of skilled and semi-skilled workers out of total employment fell from 32% in 2012 to 25.3% in 2015, while the share of employees with medium-level education fell to 47.5% of total employment in 2015. In the same period, the proportion of people with higher education out of the total level of employment increased from 24.0% in 2012 to 27.2% in 2015.

**Table 23:** Supply, demand and employment trends, 2010–2015

Year	Supply (S)	New unemployment without experience	Demand (D)	Employment (E)	Comparative data					
					Demand-Supply		Employment-Supply		Employment-Demand	
					Nominal D > S - D < S +	Index	Nominal E > S - E < S +	Index	Nominal E > D - E < D +	Index
2010	67,787	10,144	39,308	19,616	28,479	58.0	48,171	28.9	19,692	49.9
2011	70,569	11,953	45,264	22,859	25,305	64.1	47,710	32.4	22,405	50.5
2012	67,901	13,408	47,951	21,704	19,950	70.6	46,197	32.0	26,247	45.3
2013	69,026	13,173	37,908	15,339	31,118	54.9	53,687	22.2	22,569	40.5
2014	70,162	12,856	43,252	14,835	26,910	61.6	55,327	21.1	28,417	34.3
2015	77,697	16,543	35,581	14,009	42,116	45.8	63,688	18.0	21,572	39.4

Source: Employment Agency of Montenegro (EAM)

<sup>17</sup> The labour force supply and demand analysis is based on the official data of the Employment Agency, considering the following: (i) the labour force refers to the number of unemployed people registered with the Employment Agency and available to the labour market during a certain period; in other words, it is the number of unemployed people who happen to be there at the beginning of the year, plus the number of people who have been registered with the Employment Agency as new job seekers during the course of the year; these people represent an additional labour force supply, and thus contribute to the total supply during a year; (ii) the labour demand refers to the number of vacancies that employers have announced during a given year; (iii) employment refers to the number of accepted applications for job vacancies, i.e. employment generated by those applications.

<sup>18</sup> Analysis of Supply, Demand and Employment in the Labour Market in Montenegro in 2015, EAM, 2016. p 11. <http://www.zzzcg.me/wp-content/uploads/2016/05/UPISNA-POLITIKA-2016.pdf>.



The indicators of changes in the relationship between supply, demand and employment recorded negative trends in the last five years:

- In 2015, demand was 2.2 times lower than supply, compared to 2012 when it was 1.4 times lower;
- Employment compared to demand in 2015 amounted to 39.6%, while in 2012 it amounted to 45.3%;
- Employment in 2015 was 5.5 times less than the reported supply, while in 2012 it was three times less.

The highest frequency in terms of supply, demand and employment is present in people with secondary education and higher education.

The total supply of labour with secondary education<sup>19</sup> in 2015 accounted for 51.8% of the total labour supply (40,250), while demand for this level of education was 35.1% of the total demand for labour (12,490), while the total employment of people with secondary education was 47.5% (6,661) out of total employment in 2015. Demand in 2015 was 3.2 times lower than supply, and employment was six times lower than the reported supply (Table 24).

On the other hand, the total labour supply of people with higher education in 2015 accounted for 26.4% (20,546), while demand was 17.8% (6,318) and total employment 27.2% (3,804) for the respective categories of the entire labour force, including all education levels. The relationship between supply, demand and employment shows that supply was 3.3 times as high as demand, with employment being 39.8% lower than demand and 5.4 times less than supply (Table 24). In almost all the occupations in the two aforementioned groups, the supply significantly exceeded the demand, except in certain occupations that are very small in nominal terms.

**Table 24:** Supply, demand and employment by level of education, 2015

Level of education	Supply (S)	New unemployment without experience	Demand (D)	Employment (E)	Comparative data					
					Demand-Supply		Employment-Supply		Employment-Demand	
					Nominal D > S - D < S +	Index	Nominal E > S - E < S +	Index	Nominal E > D - E < D +	Index
I	14,746	5,552	12,957	2,243	1,789	87.9	12,503	15.2	10,714	17.3
II	2,155	209	3,816	1,301	-1,661	177.1	854	60.4	2,515	34.1
III	15,238	2,107	5,740	2,236	9,498	37.7	13,002	14.7	3,504	39.0
IV	24,485	5,135	6,624	4,367	17,861	27.1	20,118	17.8	2,257	65.9
V	527	35	126	58	401	23.9	469	11.0	68	46.0
VI-1	1,563	97	751	322	812	48	1,241	20.6	429	42.9
VI-2	19	4	1	8	18	5.3	11	42.1	-7	800
VII-1	18,371	3,278	5,329	3,329	13,042	29	15,042	18.1	2,000	62.5
VII-2	578	66	177	139	401	30.6	439	24.0	38	78.5
VIII	15	2	60	6	-45	400	9	40.0	54	10
Total	77,697	16,485	35,581	14,009	42,116	45.8	63,688	18.0	21,572	39.4

Source: EAM

<sup>19</sup> As elaborated in footnote 16, the category of secondary education includes levels II to V, while higher education includes levels VI to VIII.

Further migration of the resident population from underdeveloped areas (northern Montenegro) to the central and southern parts of the country, the supply of foreign labour (individuals from neighbouring countries, especially during the tourist season), and an increasing number of university graduates who are willing to perform tasks typically covered by people with only secondary education, will be the significant limiting factors for the employment of poorly qualified former IDPs/DPs in the near future. Those with an entrepreneurial spirit and an interest in launching their own businesses will certainly benefit from an overall improvement in the business environment in Montenegro. Also, jobs that are not attractive to the resident population (e.g. communal services) will also remain available. All others will face highly competitive labour-market conditions, where the supply exceeds the existing demand and which leave little space for improving the working conditions, due to the high replacement opportunities for employers.

Seasonal employment and public works can be seen as partial solutions to the unemployment issue. However, neither of these is seen as a long-term way out which could provide better living standards.

## 5. INSTITUTIONS AND AVAILABLE SUPPORT PROGRAMMES TO INCREASE THE EMPLOYABILITY OF IDPS/DPS IN MONTENEGRO

Over the years, several programmes have been implemented to support the economic activity of IDPs/DPs in Montenegro. No evaluation or impact assessment of such programmes was available; however, findings based on interviews with relevant stakeholders confirm that the results of such actions were limited. Typically, such programmes would provide some training and relevant equipment for a successful trainee to start an individual business. For example, training courses for locksmiths, tinsmiths, carpenters, plumbers, tailors and hairdressers were organized. Upon completion of the training, the participants would receive the tools and equipment needed to start working on their own (for example, the value of the equipment for hairdressers and tailors was about €700). Today, there are only rare examples of such beneficiaries who continue to operate and successfully provide their services on the market. Some of them are very skilled but have difficulties in reaching potential clients. Some are only focused on nearby neighbourhoods and there is not a large enough clientele for the successful running of such businesses. The majority however sold the equipment that they had received. At the very beginning such training was not certified, so successful trainees



could not register at the Employment Agency with this qualification. Now the situation has changed. All the training courses are certified. Once completed, the attendee of the training course receives a certificate, which confirms his/her qualification. However, it also happens that discrimination limits employability, especially for the RE population.

As the interviews that were conducted confirm, over the years and after learning from previous experiences, some improvements have been made in those programmes aimed at economically empowering displaced persons in Montenegro. Still, it is clear that just providing training or just providing the equipment might not be enough for sustainable self-reliance. In some cases even skilled people with the necessary equipment might lack the necessary competences in sales and/or marketing to make it sustainable. Also, the lack of a favourable environment for the development of social entrepreneurship<sup>20</sup> in Montenegro limits overall success, since the services/products they provide/sell often cannot sustain their tax burdens. In addition to what has already been mentioned, there is the fact that many skilled former IDPs/DPs in Montenegro remain active in the shadow economy only.

*The Strategy for Durable Solutions of Issues Regarding Displaced and Internally Displaced Persons in Montenegro, with Special Emphasis on the Konik Area (2011)* recognized the problem of facilitating the employment of the target population. As noted by the Employment Agency of Montenegro, the main obstacles to the full inclusion of IDPs/DPs in the labour market after acquiring the status of foreigner were:

- Insufficient information on their rights arising from unemployment;
- A lack of the knowledge and skills required in the labour market;

A lack of funds aimed at financing a programme of active employment policy which would include these people in the labour market (vocational training, vocational retraining, additional training, specialization, special knowledge and skills, etc.).

Consequently, the action plans<sup>21</sup> introduced the following measures in order to continually:

- Raise awareness among IDPs/DPs about their rights based on unemployment, with particular reference to the RE population;
- Raise employers' awareness of the right of IDPs/DPs and people with the status of foreigner with permanent residence to work and employment;
- Improve the knowledge and skills of IDPs/DPs through the EAM's activities to meet the labour demand (with special reference to the RE population).

The Employers' Survey conducted by the EAM<sup>22</sup> showed that, in reference to the RE population<sup>23</sup> in Montenegro in general, there are deep-rooted prejudices that characterize them as being insufficiently motivated for work and employment, insufficiently reliable in carrying out tasks, lacking work and technological disciplines, and insufficiently educated and trained in carrying out given tasks. According to the survey data, out of all the work positions

<sup>20</sup> Social entrepreneurship implies an innovative and sustainable market approach in addressing the problem of particularly vulnerable social groups, or in addressing general social problems. The entrepreneurial aspect of this concept is reflected in the durable sale of goods and services on the market and the application of innovative practices in solving social and other problems. On the other hand, its social aspect assumes that the acquisition of market revenues is in the function of resolving social and other problems rather than distributing profits.

<sup>21</sup> Action plans for 2014 and 2015, under the goal "Inclusion of Displaced and Internally Displaced Persons in the Labour Market".

<sup>22</sup> Source: Employment Survey 2016/2017, EAM, p 61.

<sup>23</sup> In addition to persons with disabilities, the RE population is recognized as a marginalized group when it comes to employment opportunities.

provided by the interviewed employers (5,101) in 2016, only 0.43% (22) referred to members of the RE population. The RE population was mostly engaged in catering and trade, performing jobs requiring a low level of education (I–II levels of education), which are jobs of auxiliary workers and hygienists. Moreover, 29.2% of employers report that they would consider increasing their employment of the RE population if they were provided some benefits or subsidies, while 39.7% would not consider employment of the RE population despite being offered benefits/subsidies.

As for non-RE former IDPs/DPs in Montenegro, there were no discrimination-related issues in regards to the labour market as confirmed by interviewees. However, employability is low due to the overall economic situation in the country and the labour supply, which exceeds demand in their occupations. The opportunity to receive tools and equipment to run their own businesses (mainly being self-employed individuals right at the beginning, rather than employing others) could be a good option for this target group.

### **Box 1: Additional issues with employment of RE former IDPs/DPs in Montenegro**

Not only might the resident population hesitate to engage qualified RE craftspeople, but “discrimination” also exists on the side of the RE population. Often they underestimate their capabilities by thinking “*Who would hire me, I’m a Roma?*” Currently, this type of problem is overcome by getting a personal recommendation from someone who already has experience with a particular RE repairer, for example. However, this is based on informal contacts and relations rather than on an organized mediation service.

There are examples of the economic empowerment of RE women, which have yielded limited and unsustainable results, since there is no legal framework for *social entrepreneurship* in Montenegro. Additional efforts are needed to increase the awareness of both RE women and others in the community that RE women could economically contribute to their households, and that these could be jobs performed outside of their homes.

Moreover, living habits can often limit the employability of the RE population. For example, there is a national programme, which provides an opportunity for resident university graduates to work for nine months with a preferred employer and to be paid during that period (50% of the national average salary, which is approximately €250 a month at the moment). This creates an opportunity for university graduates to gain some work experience, and for the employer to train (free of charge, since monthly compensation is paid from the state budget) a potential employee. A similar programme has been developed for the RE population in Podgorica, though for a shorter period of time – six months. Since there were not enough people interested in applying, the programme implementer, HELP Montenegro, raised the monthly compensation to the level of €350. There were two lessons learned from this exercise. The first was that it takes time to build working habits among the RE population of spending 8 hours a day in the work place. The second was that the RE population is not very familiar with the concept of working for multiple days and being paid only at the end of the month. As expressed by one of the interviewees, the majority of the RE population lives by the principle of “*eating today what is earned today*”.

Below is a review of ongoing support programmes that could contribute to improving the employability of IDPs/DPs in Montenegro, as well as an overview of the institutions whose mandates are in line with creating livelihood opportunities not only for the target population but also the unemployed in general.

## 5.1 PROGRAMMES TO ENCOURAGE SELF-EMPLOYMENT AND ENTREPRENEURSHIP IMPLEMENTED BY THE EMPLOYMENT AGENCY OF MONTENEGRO

The Employment Agency of Montenegro (EAM), among its main functions, is in charge of organizing preparation for employment, which takes place particularly through participation in the development and delivery of education/training programmes, for the purpose of matching demand and supply in the labour market. In addition to this, the EAM takes part in the development of special programmes to combat the growth of unemployment or to reduce registered or potential unemployment, while also dealing with the prevention of long-term unemployment.

The EAM is implementing the so-called Revised Programme of Continuous Stimulation of Employment and Entrepreneurship in order to support the development of small, family businesses and to support unemployed people in realizing their business ideas. The programme envisions loans with favourable terms (compared to the commercial market) to start an independent business. The programme targets unemployed people, small businesses and entrepreneurs.

Before starting the procedure of applying for a loan, unemployed people must attend a seminar organized by the EAM with the goal of acquiring basic knowledge about entrepreneurship. Upon completion of the seminar, attendees who are considered to have a predisposition for conducting business successfully are referred to advisers who are there to help obtain the necessary forms to apply for a loan. The overall application procedure is relatively simple. It also requires the preparation of a simplified business plan.

In addition to unemployed people, the programme is open to all legal entities with the status of a small business and to entrepreneurs, registered in accordance with the Law on Business Organizations. Interested entities must submit a business plan, proof of registration and paid tax liabilities, as well as any other documents prescribed in the public call.

Unemployed people and entrepreneurs must provide the following guarantees:

- For loans of up to €5,000 – two creditworthy entities to be guarantors<sup>24</sup>, whose salary is no less than the minimum wage in the country;
- For loans above €5,000 – two creditworthy guarantors whose salary is no less than the minimum wage in the country, and fiduciary rights to transfer property to the creditor, the value of which is at least double the amount of the loan.

Legal entities with the status of a small business must provide the following guarantees:

- Fiduciary rights to transfer property to the creditor, the value of which is at least double the amount of the approved loan;
- A bill of authorization (issued by a commercial bank).

<sup>24</sup> Each financial institution defines its own criteria for guarantors. In general, in order for a person to be a guarantor, it is necessary primarily to meet criteria relating to creditworthiness, or to have a regular income above a certain minimum. Regular income often means a working contract for an indefinite period.

Creditworthiness is determined by deducting the person's existing indebtedness and the minimum amount of free income from the regular monthly earnings of a potential guarantor. This difference should cover the monthly annuity of the loan for which it would be judged. If this is not the case, additional guarantees are required. In some cases, the age of potential guarantors is also predefined, for example a guarantor can be up to 75 years old at the time of maturing of the last annuity loan.

The basic credit terms are as follows:

- The amount of the approved loan per new employee is up to €5,000;
- The maximum loan amount is €15,000;
- The grace period is up to 1 year;
- The repayment period is:
  - Three years for unemployed people, in six-monthly instalments (3 + 1);
  - Two years for small businesses and entrepreneurs (2 + 1).
- Interest rate:
  - 3% for projects run by women;
  - 3% for projects being implemented in the municipalities of Pljevlja, Zabljak, Bijelo Polje, Mojkovac, Berane, Andrijevica, Rozaje, Plav, Nikšić, Savnik, Pluzine, Kolasin and Cetinje;
  - 4% for projects being implemented in the municipalities of Podgorica, Danilovgrad, Herceg Novi, Kotor, Tivat, Bar, Budva and Ulcinj.

Between 2011 and 2016, a total of 327 loans were approved, amounting to about €2 million. This type of support enabled 399 people to be employed. The largest number of loans was approved to unemployed people for self-employment, while loans to small and medium-sized enterprises (SMEs) and entrepreneurs were represented to a lesser extent.

**Table 25:** Loans for self-employment and entrepreneurship approved by the Employment Agency in the period 2011–2016

	2011	2012	2013	2014	2015	2016
<b>I. Unemployed</b>						
Number of loans	43	62	51	35	37	20
Number of new jobs created	48	64	56	35	42	22
Amount (€)	239,500	320,000	280,000	175,000	120,000	110,000
<b>II. Entrepreneurs</b>						
Number of loans	2	2	4	1	0	2
Number of new jobs created	2	2	5	1	0	2
Amount (€)	10,000	10,000	25,000	5,000	0	10,000
<b>III. Legal entities</b>						
Number of loans	12	20	17	8	3	8
Number of new jobs created	21	35	26	16	6	16
Amount (€)	105,000	175,000	130,000	80,000	30,000	80,000
<b>TOTAL</b>						
Number of loans	<b>57</b>	<b>84</b>	<b>72</b>	<b>44</b>	<b>40</b>	<b>30</b>
Number of new jobs created	<b>71</b>	<b>101</b>	<b>87</b>	<b>52</b>	<b>48</b>	<b>40</b>
Amount (€)	<b>354,500</b>	<b>505,000</b>	<b>435,000</b>	<b>260,000</b>	<b>240,000</b>	<b>200,000</b>

Source: EAM Annual Reports 2011-2016

Since 2012, the number of loans granted has been declining due to the EAM's limited budgetary resources, which has been recognized as one of the limitations for increased employment of former IDPs/DPs in Montenegro. The greatest support was granted in the sectors of agriculture and fisheries, personal services and crafts, and trade.

**Table 26:** Loans approved by the Employment Agency by sector of activity in the period 2011–2016

	Number of loans	Number of employees	Amount (€)
Industry	18	35	175,000
Agriculture and fishing	133	138	689,500
Forestry	1	1	5,000
Construction	9	13	65,000
Transportation and storage	12	17	85,000
Retail trade	52	58	250,040
Tourism and catering	24	35	175,000
Personal services and crafts	50	59	295,000
Financial, technical and professional services	14	18	90,000
Education, science, arts and information service activities	5	8	40,000
Health and social protection	9	17	85,000
<b>TOTAL</b>	<b>327</b>	<b>399</b>	<b>1,994,500</b>

Source: EAM Annual Reports 2011–2016

## 5.2 PROGRAMME TO SUPPORT ENTREPRENEURSHIP DEVELOPMENT IMPLEMENTED BY THE INVESTMENT DEVELOPMENT FUND OF MONTENEGRO

The Investment Development Fund (IDF) of Montenegro, in cooperation with the Directorate for the Development of Small and Medium-Sized Enterprises (DDSME) and the Employment Agency of Montenegro, provides non-financial and financial support to improve the conditions for the development of entrepreneurship in the country.

This programme is targeted at various groups: young people, women and students who are able to start their own business before completing their education, university-educated people and people with secondary school education.

The loans are intended for investment in fixed and working capital without any restrictions. The IDF may finance up to 70% of the total investment.

The DDSME and/or the EAM develop and implement the training for each target group. Through this training period, each interested applicant is supported to prepare a business plan and collect other documents necessary for the application.

Applicants must have a guarantee that they will return the loan for a refund. The documentation that can secure a loan includes bills, mortgages (the estimated value of the property must be at least as much as the amount of the requested loan) and bank guarantees.



As an alternative, the IDF would accept an administrative ban on salaries of a minimum of one prudential guarantor (depending on the loan amount and guarantor) as follows:

- For an amount of up to € 5,000 – one guarantor;
- For an amount of € 5,000 to €10,000 – two guarantors;
- For an amount of more than €10,000 – mortgages (the estimated value of the property must be at least as much as the amount of the requested loan).

The basic credit terms are as follows:

- Maximum amount – €50,000;
- Interest rate – 2.5% annually with a proportional system of calculation;
- Repayment period – up to 12 years (including grace period);
- Grace period – up to 4 years;
- For projects being implemented in the municipalities in the north of Montenegro and in underdeveloped municipalities (Cetinje, Nikšić and Ulcinj), the interest rate is 2% per annum.

In spite of these advantages, the resources of Investment and Development Fund (IDF) are available exclusively to Montenegrin citizens. On the other hand, legal entities that apply must be registered in Montenegro. In other words, funds are available to the former IDPs/DPs under the condition that they register a company in Montenegro first, regardless of their citizenship status. With the most recent changes in the regulation concerning the work of the IDF, the guarantee fund will be established to facilitate overcoming the problem of providing necessary collateral when applying for the commercial loans.

### 5.3 LOANS FROM MICROCREDIT INSTITUTIONS

There are seven registered microcredit financial institutions in Montenegro that offer loans to entrepreneurs<sup>25</sup>. These loans are intended for people who are engaged in a private business or who have a well thought-out idea to start a private business in the field of trade, services, manufacturing, agriculture, livestock, fisheries, trade, tourism or hospitality.

The purpose of the loan could be:

- For the procurement of goods, raw materials;
- For the purchase/repair of machinery, equipment, transport and delivery vehicles/ vessels;
- For the construction/renovation of commercial buildings;
- For any other investments in fixed or working capital necessary for expansion and business development.

Acquiring such loans requires a relatively simple procedure, but also a relatively short lending period, and a much higher interest rate than what is available with commercial banks or other programmes. The general conditions vary, depending on the microcredit institution. Below is an example.

<sup>25</sup> These are: Alter Modus Ltd, Kliikloan Ltd, Monte Credit Ltd, Montenegro Investments Credit Ltd, Ozmont Ltd, and Kredit+ Ltd, all of them with their headquarters in Podgorica and the newly registered Credit-Invest Ltd in Berane. Alter Modus, Monte Credit and Montenegro Investments Credit have branch offices in Nikšić and in Bar.

#### Basic credit terms

- €500 to €5,000 in the first cycle;
- Up to €10,000 for loans in repeated cycles;
- Repayment period of 5–36 months;
- Grace period of up to 6 months;
- Interest rate between 1.49% and 1.89% per month (calculated on the remaining debt, a so-called decreasing rate);
- One-time fee for the loan application between 1% and 2%;
- Guarantees, defined on an individual basis.

Among the microfinance institutions operating in Montenegro, Alter Modus, during its first years of business operations, dealt with the implementation of a large number of programmes, all aimed at improving the position of disadvantaged and marginalized groups in Montenegro. In this way, non-refundable loan credits were designed, intended for the most vulnerable among the refugee and displaced populations, as well as for persons with disabilities. It has been confirmed that foreigners who have been granted permanent residence are eligible to apply for a loan with Alter Modus and Monte Credit.

## **5.4 EMPLOYMENT PROGRAMMES AND TRAINING OPPORTUNITIES TO INCREASE EMPLOYABILITY IMPLEMENTED BY THE EMPLOYMENT AGENCY OF MONTENEGRO**

### ***Public Works***

Public works are local or national employment programmes. The main goal of the public works programme is to increase the employment of unemployed people, particularly targeting harder-to-employ people, such as:

- People identified as long-term unemployed;
- People with disabilities;
- People with a reduced capacity for work, which does not have the character of a disability;
- The RE population;
- Users of unemployment benefits and social benefits; and
- Other unemployed people, in order to achieve labour and social inclusion to mitigate the effects of long-term unemployment.

Public works are carried out through programmes based on socially useful and non-profit work that does not create unfair competition. These are programmes of social care for children and young people, protection of persons with disabilities, protection of the environment, assistance to the elderly, educational, cultural and other programmes. Through such programmes, unemployed people are getting the opportunity to be socially included, the consequences of long-term unemployment are mitigated to some extent, and unemployed people gain knowledge and skills.

Public works are organized in cooperation with ministries, local governments, public institutions, NGOs and other entities.

### ***Seasonal Employment***

One of the measures of active employment policy is mediation in finding seasonal jobs, which is mostly focused on the service and tourism sectors, as the most attractive seasonal activities. Also, this programme includes mediation for performing seasonal jobs in agriculture, trade, construction, transport, etc. In accordance with the requirements and needs of the employer, the EAM conducts the procedure of selecting, preparing and linking workers with the appropriate employer.

### ***Training of the Unemployed for Work***

The EAM is implementing a set of activities aimed at training unemployed people and equipping them with the required knowledge and skills to increase their employability. Research has shown that former IDPs/DPs in Montenegro are not very interested in additional training because they believe it will not help them find employment. Motivation for attending the training may be increased if it is more likely that the successful completion training can secure a job (training for work for known employers).

### ***Training for Work for Known Employers***

Training for Work for Known Employers is a programme for unemployed people to acquire the necessary knowledge and skills for employment to work for the employer that organizes the training or that has a contract with a specialized certified training provider.

The participants in the programme are unemployed people registered with the EAM who are interested in vocational training and who work for that employer – typically from the private sector. The shortest training courses last for one month, and after the implementation of the programme, the employer signs a working contract(s) with the participants for a period of at least three months.

The EAM participates in the financing of the training costs, depending on the length of the working contracts. Eligible costs are the salaries of the trainers and the material costs necessary for programme implementation.

### ***Training for Independent Work***

Training for Independent Work is a programme for unemployed people without work experience who have reached a certain level of education. The objectives of this programme are to increase the employment and employability of the participants in the programme. The training provider is typically an employer, primarily from the private sector, who has the appropriate physical, technical, technological, human and financial conditions necessary for the implementation of the programme.

Training courses are organized to last nine months for people with a university degree and six months for people that have only completed secondary education. The EAM participates in the financing of training programmes by paying the net salaries of the programme participants, as well as the costs of mentoring. The training organization funds the compulsory contributions for social insurance and related taxes and surcharges on the earnings of the programme participants, and other reasonable expenses of programme implementation.

For persons with disabilities included in the programme, the EAM finances the total eligible costs of implementation of the training programmes for independent work from the resources of the fund for vocational rehabilitation and employment of these people.

### **Adult Education and Training**

This programme provides the opportunity for unemployed people to acquire professional qualifications that are key skills. The objectives of the programme are to increase the employability of unemployed people through the acquisition of the knowledge, skills and competencies required for the performance of a particular occupation.

The target group of the programme is people with skills that have a much higher supply compared to the demand on the market, with no occupation, long-term unemployed or other people to whom new skills are necessary to enable faster employment. The contractor of the programme of education and training is either the organizer of the education, or a legal entity or natural person that has a licence to work in the field of adult education. The EAM funds the total cost of implementation of the programme in adult education.

#### **AZMONT ACADEMY IN BIJELO POLJE**

*One example of training for work is Azmont Academy in Bijelo Polje, established by the foreign investors, Azmont Investments, in cooperation with the Municipality of Bijelo Polje and the Employment Agency, with the aim of training construction workers to work on the Portonovi tourist complex in Kumbor. The successful completion of the training and obtaining the certificate represent a recommendation for future investments that could be implemented in Montenegro, including for Azmont's investment in the region. Within this centre 500 people have been trained so far. After financing the academy for three years, the investor handed over management to the EAM and the local government.*

From 2011 to 2016, 69,716 people were covered by the active employment policy measures, which include education and training programmes, public works and seasonal employment. The majority of people (81.8%) were incorporated into seasonal employment.

**Table 27:** The number of people involved in active employment policy programmes

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Education and training programmes	27	-	26	29	18
Participants in public works	8	-	20	11	4
Seasonal employment	53	-	31	22	62
Ukupno	88	-	77	62	84

*Source: EAM Annual Reports 2011–2016*

Regarding the RE population, there is no precise data on registered unemployment, since the regulations on unemployment and employment registers are not intended to record data on the ethnicity of people seeking employment. Disclosure by the unemployed on their ethnicity is not mandatory.

Providing higher-quality education and training for the RE population was one of the active employment measures that attempted to raise the level of employability of this population, all towards generating potential for creating their own income, which is the starting point for reducing their poverty and providing them with full membership in society.

**Table 28:** The number of people from RE population involved in the active employment policy programmes

	2012	2013	2014	2015	2016
Public works	27	-	26	29	18
Education and training	8	-	20	11	4
Seasonal work	53	-	31	22	62
Total	88	-	77	62	84

Source: EAM Annual Reports 2012–2016

## 5.5 OTHER RELEVANT INSTITUTIONS TO SUPPORT EMPLOYABILITY OF FORMER IDPS/DPS IN MONTENEGRO

In addition to the existing programmes and institutions implementing them, other stakeholders have been identified as potentially valuable partners in designing, organizing and executing the activities that could create livelihood opportunities for former IDPs/DPs in Montenegro, as presented below.

### *Institutions at the National Level*

**The Centre for Vocational Education** deals with issues in the field of vocational education and adult training (consulting, surveys, and areas of professional work). The centre was founded by the Government of Montenegro in 2014. Its specific tasks are to deal with research on and development of a system of adult education, work on the syllabi of adult education courses, preparation of the most important documents in the field of adult education and promotion of the concept of lifelong learning, etc. The Centre for Vocational Education provides licences for agencies/natural persons, who are then authorized to deliver training courses, based on approved training programmes.

**The Montenegrin Chamber of Skilled Crafts** is a public institution, which serves as an umbrella organization representing the professional, economic and social interests of Montenegrin small and medium-sized enterprises and entrepreneurs, and it includes 15 professional associations. The chamber advocates the interests of more than 130 professions such as: builders, bricklayers, electricians, metal processors, installers and heating fitters, electrical technicians, automobile technicians, carpenters, joiners, hoteliers and restaurateurs, pastry cooks, bakers, butchers, photographers, optometrists, goldsmiths and silversmiths, artistic craftsmen, tailors and dressmakers, hairdressers, women in business, etc. It offers information and consulting services by providing education, training, business and market connections, cheaper suppliers, public relations, events, trade fairs, electronic marketing, lobbying and advocacy. This organization also organizes relevant training courses for the acquisition of knowledge and skills for certain craft activities. The chamber has developed training courses for 38 different crafts, which have been piloted in cooperation with the Chamber of Skilled

Crafts of Koblenz (Germany). It can organize practical and theoretical trainings, as well as relevant courses in entrepreneurship and work pedagogy. Such training courses provide all the necessary skills for individuals that want to establish and run their own small businesses. These training courses are not certified by national institutions since the goal is not to have new jobseekers applying to the Employment Agency, but are for professionals that would start their own entrepreneurial endeavours.

### ***Institutions at the Local Level***

At the local level, each municipality has created its own organization to address the most relevant issues facing its citizens. In order to support entrepreneurship and the livelihoods of its population, municipalities have created various programmes of support. As the financial situation has worsened in recent years, such initiatives are very limited. However, some municipalities, such as Podgorica and Bar, still provide small grants to entrepreneurs, some technical support in registering businesses or business premises, but also financial support through free-of-charge accounting services, free-of-charge consulting services and even reimbursement of the costs of establishing a business. Some of these services are offered in cooperation with business associations.

#### ***Capital City of Podgorica***

The Capital City of Podgorica recently reorganized its secretariats by abolishing the Secretariat for Entrepreneurship and the Secretariat for Social Welfare and by establishing a new one called the Secretariat for Labour, Youth and Social Welfare. Within the framework of the Bureau of Economic Cooperation and Support for the Business Community, the Capital City of Podgorica has formed a business incubation facility – the Business Centre – whereby start-ups (companies that have existed for less than 12 months), as well as businesses that have existed for between 12 and 24 months, can apply to use office space free of charge with the provision of free-of-charge accounting services during the first 12 months of their stay in the Business Centre. Since 2017, for a number of companies, the bureau has also been offering to refund the set-up costs by up to €100. As confirmed by the relevant representative, Montenegrin citizenship is not required to be able to apply for any of abovementioned support. Interested entrepreneurs/companies can apply in response to a public call and submit the relevant information, including a business plan.

#### ***Municipality of Nikšić***

In the Municipality of Nikšić, social protection support is provided through the Secretariat for Culture, Sport, Youth and Social Welfare and there is also the Secretariat for Finance, Development and Entrepreneurship. Since 2015, in cooperation with the UNDP Gender Programme and the Ministry of Human and Minority Rights, the Municipality of Nikšić has been participating in a three-year project to facilitate the development of women's entrepreneurship. This includes training of municipal clerks to create a business environment favourable to entrepreneurs and to provide advisory support for dealing with local permits/licences. In parallel, 100 women entrepreneurs from Nikšić have been trained in developing business plans and other relevant business-related topics (marketing, sales, strategic planning, etc.). This project also includes the Capital City of Podgorica, with the same activities and the same target group. This three-year project will be completed by the end of 2018.

#### ***Municipality of Bar***

In the Municipality of Bar, the relevant secretariats are the Secretariat for Economics and Finance, and the Secretariat for General Administration and Social Activities.

### *Rural Activities in the Municipalities of Podgorica and Bar*

Previously, both Podgorica and Bar have provided small grants for agricultural producers. Based on the Programme for Measures for the Promotion of Agriculture and Rural Development of the Capital City, between 2003 and 2015 the Secretariat for Entrepreneurship financially supported a total of 300 agricultural producers with a total amount of approximately €920,000. The loan terms were: an interest rate of 3% per annum with a repayment period of 3 years in six-monthly instalments and a grace period of 1 year. Agricultural producers from the Podgorica area used the funds to purchase greenhouses, agricultural machinery, livestock, irrigation systems, to plant mini-plantations, vineyards and orchards, and to construct wine cellars and livestock facilities. This support is continuing – the agricultural budget of the Capital City in 2017 amounted €225,000. The Municipality of Bar's agricultural budget amounted to about €200,000 in 2016 and €600,000 in 2015.

### **International Organizations and Other Entities**

There are several international organizations and other entities with significant experience and *knowhow* that could be relevant in supporting the enhancement of livelihood opportunities for IDPs/DPs in Montenegro.

**UNHCR, the UN Refugee Agency**, has been working with refugees and displaced people from the former Yugoslavia since the beginning of the 1990s, providing basic assistance to the most vulnerable individuals through shelter support, clothes provision, health care, education support, social allowances, psychological and social counselling, camp management, emergency aid (in case of fires, flooding, etc.), and supporting the government in securing durable solutions, whether in terms of local integration by developing the necessary legal and administrative framework or returning to their country of origin. Beyond 2017, UNHCR continues to provide individual legal assistance to people displaced as a result of the conflicts in the former Yugoslavia who still have unresolved legal-status issues and to facilitate cross-border cooperation, mainly with the Kosovo Ministry of the Interior (MoI) within the same domain. In November 2017, a joint verification exercise conducted by the Ministry of the Interior, the Ministry of Labour and Social Welfare and UNHCR led to the identification of some 1,900 displaced people (preliminary results) from the former Yugoslavia who are still in need of legal and documentation-related support, which will be the target of UNHCR's interventions from 2018 onwards. Solving pending legal status issues remains the key step to securing full access to rights and public services for former IDPs/DPs in Montenegro, including to any support measures to enhance their employability and livelihoods opportunities.

**The Red Cross of Montenegro** is an independent and voluntary humanitarian organization, which operates based on the fundamental principles and mission of the International Red Cross and Red Crescent Movement. The Red Cross of Montenegro (Red Cross) enjoys a special status in Montenegro and performs activities in the public interest. One of the ongoing activities implemented by the Red Cross, funded by UNHCR until the end of 2017, is the management of Konik Camp, which will be closed and entirely handed over to the Capital City of Podgorica in 2018, as soon as the residents move into newly constructed apartments<sup>26</sup>. The Red Cross has neither a long experience nor a mandate to be involved in livelihood programmes, though it supported some initiatives in the recent past. However, the

<sup>26</sup> In total, 44 families from Konik Camp 2 moved into new apartments in 2015 (IPA funds), 120 families moved into apartments constructed in 2017 (Regional Housing Programme funds) and an additional 51 families are expected to move into apartments in 2018 (Regional Housing Programme funds). This development will ensure the closure of Konik Camp.

Red Cross has the necessary knowhow and enjoys the trust of former IDPs/DPs and will be well placed to be considered as a partner in the implementation of livelihood programmes or as a supporting infrastructure, especially for those initiatives focusing on the RE population in Podgorica, as well as in Nikšić, Berane, etc.

**UNICEF's** focus is on addressing the root causes of inequality in achieving child rights, especially with regards to children affected by poverty, adversity and exclusion. UNICEF's programme interventions and innovations support ongoing reforms to ensure that they are in line with global knowledge and studies on child development. In particular, UNICEF's agenda for children in Montenegro is focused on: early childhood development, especially for the most vulnerable and marginalized, to ensure the best start in life for every child; social and child protection; quality education to provide every child with the knowledge, skills and opportunities to grow up into a happy, productive and responsible citizen of the 21<sup>st</sup> century;<sup>27</sup> and the empowerment of adolescents through both formal and non-formal education, realizing that the second decade of life is a second chance for children to reach their full potential<sup>28</sup>.

**United Nation Development Programme (UNDP)** – UNDP is helping Montenegro break down inequalities, unlock growth potential and use resources sustainably. It focuses on promoting green growth and building responsive and accountable institutions. The core of its work is geared towards assisting the country to achieve the EU accession priorities. Building on its global network and access to resources, UNDP provides innovative solutions and cutting-edge knowledge to advance key reform processes in Montenegro. This includes comprehensive support for **social sector reform**, through:

- Improving the coverage and quality of social services for the vulnerable, in particular victims of violence, the elderly and persons with disabilities;
- Effective functioning of multidisciplinary teams supporting women victims of violence and strengthening local protection mechanisms;
- Improving targeting in the provision of social assistance; and
- Facilitating skill building, entrepreneurial support and employment-related programmes, with a special focus on women and young people.

UNDP does not provide individual assistance to former IDPs/DPs. However, UNDP has a solid track record for designing and implementing institutional agreements, including cost-sharing agreements. In that sense, UNDP could be of valuable support in designing, implementing and overseeing activities of various stakeholders to facilitate livelihood opportunities for former IDPs/DPs in Montenegro.

**The International Labour Organization (ILO)** is the United Nations agency dealing with labour matters, particularly international labour standards, social protection and work opportunities for all. The main aims of the ILO are to promote rights at work, encourage decent employment opportunities, enhance social protection and strengthen dialogue on work-related issues. Montenegro has been a member state of the ILO since 2006. The ILO has been involved in a wide range of areas including international labour standards, labour inspection, strengthening the institutional capacity of employers' organizations and trade unions, promoting youth employment, strengthening the mechanisms of collective bargaining and the settlement of labour disputes, promoting gender equality and the rights of LGBT workers, and tackling undeclared work and the informal economy. The ILO could help to

27 For more information see <https://www.unicef.org/montenegro/overview.html>.

28 For more information see <https://www.unicef.org/montenegro/overview.html>.



further develop some relevant Montenegrin labour-related policies, such as an initiative to establish a set of regulations for social entrepreneurship. A legal framework to deal with social entrepreneurship could support the sustainability of many NGO activities that are taking place at the local level.

**The US Bureau of Population, Refugees and Migration** provides aid and sustainable solutions for refugees, victims of conflict and stateless people around the world, through repatriation, local integration and resettlement in the United States. Since September 2016, the US BPRM has been financing the 2-year project “*Integrated Support for Displaced Persons and Refugees in Bosnia and Herzegovina, Montenegro, and Serbia Aimed at Supporting the Sustainability of the Regional Housing Programme (RHP) in Bosnia and Herzegovina, Serbia and Montenegro*”. The project consists of three segments: a) assistance in obtaining documents; b) assistance in income generation; and c) capacity building of the municipalities involved in the RHP. In Montenegro, the project is targeting Podgorica, Nikšić and Berane. By the end of 2017, 35 grants for income generation were allocated to family beneficiaries of the RHP project in Nikšić. In 2018, an additional 30 grants for income generation for beneficiaries of the RHP will be awarded in Berane. With BPRM support, the project is being implemented by the **Catholic Relief Services (CRS)**, with support from the Serbian **NGO Bozur**<sup>29</sup>, and the Montenegrin **NGO Legal Centre**<sup>30</sup>.

**The Organization for Security and Co-operation in Europe (OSCE)** – The OSCE Mission to Montenegro is mandated to assist Montenegro with implementing OSCE’s principles and commitments and with promoting the country’s co-operation on political, military, economic and environmental issues, and on the human dimension of security and stability. To help Montenegro meet its commitments with regard to displaced persons, the mission is monitoring and providing advice on the implementation of the Regional Housing Programme (RHP).

**The Delegation of European Union to Montenegro** – Under the Finance Agreement relating to the Operational Programme “*Human Resources Development 2012–2013*”, in October 2016 the European Union awarded grants amounting to €1.27 million for the implementation of nine projects in total, tackling issues of young people, women and long-term unemployed in the labour market in Montenegro, including the Roma population. The global objective of this call for proposals was to promote access to the labour market for unemployed people who need further qualifications and education in line with the labour market requirements. The following are among the funded projects:

- “*Accounting for a Better Future*”, implemented by the Employment Agency as the lead applicant, and the Institute of Accountants and Auditors of Montenegro as the co-applicant;
- “*On-the-Job Training and Mentoring for Women and Young People*”, with a focus on Berane, Petnjica, Andrijevica and Plav, implemented by HELP as the main applicant, and the Municipality of Berane and the Business Women’s Association of Montenegro as the co-applicants;

<sup>29</sup> The NGO Bozur is a humanitarian, non-governmental, independent, non-profit organization based in Serbia, with the aim of gathering and motivating the displaced population from Kosovo and Metohija to engage in the life of the local community. It was registered in 2001.

<sup>30</sup> The commission that reviews the applications involves also representatives from the Municipality of Nikšić and the Ministry of Labour and Social Welfare. The Municipality of Nikšić provided financial and in-kind support to the project. Interested applicants are to submit their idea for income generation. If selected, the applicant is obliged to attend the livelihoods training to gain the required skills for proper marketing and sales of the final product/service. The commission selected 35 RHP beneficiaries who received income-generation grants for self-employment. The ensuing field verification confirmed that all the recipients had started their own businesses through this project. They demonstrated interest in working and achieved positive results, i.e. revenues in their respective business activities (tailor, beautician, baker, bookkeeper, etc.).

- *“Social Economy for Employment in Montenegro”*, with a focus on Andrijevica, Berane, Bijelo Polje, Gusinje, Kolasin, Mojkovac, Nikšić, Petnjica, Plav, Pluzine, Pljevlja, Rozaje, Savnik and Zabljak, implemented by FORS Montenegro (Foundation for the Development of Northern Montenegro) as the lead applicant, and the Association for Creative Development (SLAP) as the co-applicant;
- *“Improvement of Labour Force Qualifications, Career Guidance and Support for Employment in the Tourism Sector in Montenegro”*, implemented by the Faculty for Business and Tourism in Budva as the lead applicant, and the Academy of Knowledge and Queen Management DOO Budva, Human Resource Partners, Vila Jelka Ltd. Kolasin, Tourist organization Rozaje, Regional Tourist organization Bjelasica, Komovi, and Tourist Organization Budva as the co-applicants;
- *“Unleashing the Power of Women Entrepreneurs in the Municipality of Rožaje”* implemented by the Municipality of Rozaje as the lead applicant, and the Montenegrin Employers Federation and the Faculty of Administrative and European Studies as the co-applicants;
- *“Enhancing the Employability of Long-Term Unemployed Women – Dorra Nuova”* with a focus on Herceg Novi, Kotor and Tivat, and implemented by the NGO Young Roma – Herceg Novi, Kotor and Tivat as the lead applicant, and the NGO Ruke as the co-applicant;
- *“Knowledge and Skills for Jobs!”*, implemented by the Centre for Civic Education (CGO/ CCE) as the lead applicant, and the Co-Represent Communication Ltd as the co-applicant;
- *“Skilled Workforce for Better Future”*, with a focus on North-East Montenegro, and implemented by the Public Institution Home for the Elderly “Bijelo Polje” as the lead applicant, and the Municipality of Bijelo Polje as the co-applicant;
- *“Youth and Unemployed People are the Future of Montenegro”*, implemented by the Montenegrin Employers’ Federation as the lead applicant, and the Employment Agency of Montenegro as the co-applicant.

## **International and Local NGOs**

**Help Montenegro (“Help – Hilfe zur Selbsthilfe”)** has been operating in Montenegro since 1999. The focus of its work is on supporting RE people who fled to Montenegro from Kosovo and who often still experience discrimination and marginalization. Help is supporting RE families in Konik, a suburb of Podgorica, by helping them to clarify residence issues and access health care, education and income opportunities. One of the focuses of HELP is RE women, who are the most disadvantaged in social and economic terms. One of the recently completed projects implemented by HELP was *“Better Employment Opportunities for Potential Users of the Regional Housing Programme in Berane”*, while an EU/IPA-supported project supporting RE on-the-job training through paid internships, is ongoing in Podgorica (see Box 1).

**Catholic Relief Services (CRS)** is the international humanitarian agency of the Catholic community in the United States. Founded in 1943, the agency works in more than 90 countries and territories in Africa, Asia, Latin America, the Middle East and Eastern Europe. CRS’s programming includes: a) promoting human development by responding to major emergencies, fighting diseases and poverty, and nurturing peaceful and just societies; and

b) long-term development programming in the areas of agriculture, water, education, health, HIV/AIDS, microfinance and peace building. CRS has been present in the region since the 1990s. In Montenegro, in the period 2008-2010, CRS directly implemented projects with the support of the US BPRM. Since 2016, supported by its local partners, CRS has been providing support for displaced and internally displaced persons in Bosnia and Herzegovina, Serbia and Montenegro to integrate into local communities.

In Montenegro, CRS subcontracts its activities to the **Legal Centre** – a non-governmental organization founded in 2007 in Podgorica, which has been mostly funded by UNHCR since its establishment. The main aim of the Legal Centre is to provide free legal assistance, counselling and representation services before courts and other administrative bodies for displaced persons, asylum seekers, persons at risk of statelessness in Montenegro and victims of domestic violence. In addition, the Legal Centre focuses on the prevention of discrimination against marginalized categories of citizens and on raising public awareness about the obligation of respecting basic human rights, according to international standards. The Legal Centre is active primarily in Podgorica, Bar and Berane. Having supported CRS since 2016, the Legal Centre has become involved in livelihood actions as well.

There are also several other local NGOs dealing with specific vulnerabilities or vulnerable groups, including the RE population, which could potentially be involved in the implementation of actions aimed at increasing the employability of former IDPs/DPs, especially in the domain of social entrepreneurship. However, these organizations often lack funding but have relevant mobilization potential in the local communities, as well as knowhow in providing training and skill development<sup>31</sup>.

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<sup>31</sup> Some of the non-governmental organizations with a track record in dealing with the employability of the target populations include: the NGO Young Roma, the Foundation for the Development of the North of Montenegro – FORS Montenegro, the NGO Association of Roma of Montenegro, the Roma Council and the Roma Cultural Centre.

## 6. IDENTIFIED TARGET GROUPS AND RELEVANT ACTIONS PROPOSED

The conducted research and socio-economic analysis show that former IDPs/DPs in Montenegro share the "destiny" of the resident population in terms of (a lack of) employment opportunities, further burdened by the lack of necessary qualifications.



In the case of RE former IDPs/DPs, employment opportunities are further limited by prejudice and discrimination that exist with employers in Montenegro, who consider the low education level and lack of skills of the RE population in Montenegro the key problems when it comes to their employment<sup>32</sup>. It is clear that the poor education of the RE population in Montenegro in general requires continuous and long-term action, bearing in mind all the barriers on that path including: poor housing conditions that prevent the maintenance of basic hygiene and a lack of money to cover schooling costs (including decent clothes); the expectations of young

<sup>32</sup> Source: Study on Roma Employment in Montenegro, CEDEM, 2015.

RE to take care of youngsters but also old household members, and to contribute to the household budget; tradition (especially for women forced to marry early); a lack of motivation and interest in education, etc.<sup>33</sup>

Despite being aware that they often lack adequate qualifications, former IDPs/DPs do not participate in training courses that might help them develop new skills and have no faith that such opportunities might help them get employed in the end.

While sharing the same overall labour market environment in Montenegro with the resident population, former IDPs/DPs also have equal access to all services to improve their employability and facilitate their access to work, as the resident population does. The fact that only 717 former IDPs/DPs<sup>34</sup> out of the 12,500 residing in Montenegro were registered with the Employment Agency in early 2017 gives grounds to conclude that they are not aware of the existing opportunities and hence are not benefitting from them.

The **overall objective** of any further livelihoods programming should aim at supporting the self-reliance of people displaced by the conflicts in the former Yugoslavia by creating the conditions to facilitate their legal (through permanent residence status) and socio-economic integration in Montenegro. To this end, a set of more **specific objectives** has been defined based on the conclusions emerging from the socio-economic assessment, market analysis, and institutional mapping. These **five specific objectives** are:

- To **support the socio-economic integration** of former IDPs/DPs in Montenegro **in the formal labour market**;
- To **promote and support self-employment** opportunities for former IDPs/DPs in Montenegro;
- To increase **public awareness** about the right of former IDPs/DPs and especially the RE population to work;
- To **increase the readiness to get employed** among former IDPs/DPs;
- To **promote subsidies for employers** provided by the Government of Montenegro for employing **harder-to-employ groups**.

Concrete interventions should then encompass **short-, medium- and long-term coordinated interventions**, tailored to the characteristics of the **five main target groups** identified.

## 6.1. TARGET GROUPS AND RELEVANT ACTIONS PROPOSED

For most livelihood programming, the **participants should be targeted** on the basis of their **ability to make sustainable progress towards self-reliance**. The targeting for livelihood programming is defined by the programme objectives, and focuses on those who both require support and have the potential to succeed. Through this process and based on the survey's results, individuals with the required skills, experience and motivation, and those who are at the same time seeking sustainable employment or self-employment should be identified<sup>35</sup>.

<sup>33</sup> Source: Study of Obstacles to the Education of the RE population in Montenegro, UNICEF, 2013.

<sup>34</sup> Of them 282 are in Podgorica, 70 in Nikšić and 42 in Bar, while the remaining 323 are based in Andrijevica (5), Berane (116), Bijelo Polje (3), Budva (28), Danilovgrad (9), Kolasin (2) Herceg Novi (58), Kotor (4), Tivat (29), Plav (9), Pljevlja (18), Rozaje (15), Ulcinj (25) and 2 in other locations. There are no former IDPs/DPs registered at the Employment Agency in Mojkovac, Pluzine, Savnik and Cetinje.

<sup>35</sup> Source: Minimum Criteria for Livelihood Programming, UNHCR, p 6.

On the basis of the key findings from the baseline assessment, the following **five target groups** have been identified:

- 1. Unemployed with skills interested in working;**
- 2. Unemployed without skills interested in working;**
- 3. RE women interested in working;**
- 4. Business-oriented population** (interested in establishing their own businesses);
- 5. Inactive population interested in working.**

The analysis shows that **Podgorica, Nikšić and Bar offer different possibilities**. Unlike Podgorica, which is the capital of Montenegro in every sense and provides the largest employment opportunities, Nikšić has not yet regained the image of a developed industrial centre. Bar is a coastal municipality that functions all year round, and for those who have the appropriate skills, it offers employment and self-employment opportunities, especially during the tourist season. On the other hand, Podgorica is the home city for the majority of former IDPs/DPs, among whom 45.5% are Roma and Egyptians, with less than 2% of them who are 15 years old having secondary education, while others are without any schooling (42.6%), have not finished primary education (38.1%) or only have primary education (11.6%). The smallest incidence of the RE population among former IDPs/DPs is found in Nikšić (16.3%), however almost one-third of non-RE former IDPs/DPs have some disability (28.8%). Of them, 66.1% reported that disability prevents their economic engagement. In Bar, there is a higher employment rate of former IDPs/DPs when compared to the two other cities (66.8% vs. 41.4% in Nikšić and 65.1% in Podgorica), with 14.6% of those who are unemployed planning to start a private business in the near future.

Despite these differences, **former IDPs/DPs in all three municipalities are service-oriented**. Bearing in mind their qualifications and the fact that agriculture, tourism and energy are the driving forces of Montenegrin economic development, none of these sectors can absorb former IDPs/DPs in Montenegro. However, an orientation towards the services that support the driving sectors (agriculture, tourism and energy) could offer better chances for self-reliance. Therefore, the acquisition of knowledge and skills to enable former IDPs/DPs to engage in activities that support the development of agriculture, tourism and the energy sector will increase the chances of their permanent employment. For example, services in the field of improving energy efficiency (better insulation of homes/apartments, use of solar panels, etc.), or maintenance works, cleaning and laundry services, as well as linking agricultural producers with the hospitality sector and hotels, offer employment opportunities. Also, building on past and ongoing activities, enabling former IDPs/DPs to apply for funding to implement their own (small) business ideas might create valuable self-reliance options for them.

When it comes to the ethnic structure, as previously noted, **non-RE former IDPs/DPs face the same issues in the labour market as the resident population**. The recovery of the Montenegrin economy is not reflected in an adequate creation of new jobs. In addition, high unemployment among graduates and the inflow of a foreign labour force during the tourist season generate a high level of competition for the non-RE unemployed.

**For the successful inclusion of the RE population** into the formal labour market, **improving their level of education is a priority**, which requires long-term commitment and action. Conditioning any kind of material support with enrolment and regular school attendance, or vocational training attendance in the case of adults improving their employability, may

be necessary in order to ensure regular participation by the RE population. Introducing new working habits, as is the case with apprenticeship projects, should target young people who are still not dependent on social welfare schemes and who can see immediate benefit of the effort they have invested in education and training. The issue of their discrimination can be addressed by promoting success stories and with the involvement of an intermediary agency that would recommend and provide guarantees for the timely and quality execution of works.

## 6.2. PROPOSED INTERVENTIONS IN THE SHORT, MEDIUM AND THE LONG TERM

In order to support the self-reliance of former IDPs/DPs in Montenegro, joint and concerted initiatives by various stakeholders, particularly in the domains of employment and education are needed in the short, medium and long term. All activities should be carried out taking into consideration the five main target groups identified.

Some of the proposed interventions do not require additional investment, and are mainly linked to the short and medium term, while some require financial support to achieve relevant results.

Among the **short-term** interventions, continuous activities that support the employment of hard-to-employ categories (public works and subsidized employment) should be promoted by the national and local authorities. The business-oriented population could be supported by promoting and facilitating access to existing funding programmes. Seasonal employment could be also seen as a partial solution to the unemployment issue. Also, jobs that are not attractive to the resident population (e.g. communal services) will also remain available.

The offer of various training courses could be strengthened (training to work for known employers, training for independent work, adult education and training, etc.) to better enable IDPs/DPs to increase their employability.

Awareness-raising activities in relation to the employability and employment of former IDPs/DPs should be conducted with the twofold objective of ensuring that IDPs/DPs can be better informed about the benefits from being registered at the Employment Agency and of available training, while potential employers should be informed about the availability of a workforce among former IDPs/DPs. Public campaigns promoting success stories should be also undertaken.

As **medium-term** interventions, increased mediation between unemployed former IDPs/DPs and potential employers, also involving intermediary agents who could serve as referees, would be useful for skilled, unemployed people interested in working. More training aimed at acquiring a first qualification for those without skills and at upgrading already existing qualifications for those with some skills would be also required.

In addition, within the community and with assistance of the NGOs dealing with the most economically vulnerable former IDPs/DPs, such as RE women, activities should be taken to promote role models for the purpose of combating tradition-related stereotypes regarding gender roles in the society. This could increase their potential to gain craft-related skills.

Currently, starting one's own business is a less viable option among former IDPs/DPs. Therefore, business-oriented, skilled craftsmen should be supported through tailored coaching and mentorship. Through a pilot project, interested former IDPs/DPs could be supported within the premises of the existing Business Centres free of charge.

The development of a social entrepreneurship scheme in Montenegro would be a major step forward, benefitting hard to employ people and pursuing novel applications that could have the potential to solve community-based problems, triggering positive changes in the society.

In the **long run**, continual and unhindered access to education, especially for the RE population, would be necessary to address the root causes of the low employability of the target population. In order to make this happen, apart from linking material support to regular school attendance, the authorities, international organizations and other entities should ensure the continual promotion of role models that would serve as an inspiration for others to follow their lead.

The table below, which is an integral part of the proposed follow-up and recommendations, provides an overall outline of possible **key interventions in the short, medium and the long terms**.



# KEY RECOMMENDATION MATRIX

## SHORT-TERM INTERVENTIONS

Strategic Objective	Target Groups	Intervention Activities	Performance Indicators	Impact Indicators	Potential Partners
<b>Specific Objective 1: Support the socio-economic integration of former IDPs/DPs in Montenegro into the formal labour market</b>	<ul style="list-style-type: none"> <li>❖ Sve ciljine grupe</li> </ul>	<ul style="list-style-type: none"> <li>■ Continuous promotion of active employment measures implemented by the Employment Agency of Montenegro</li> <li>■ Improving registration with the Employment Agency</li> </ul>	<ul style="list-style-type: none"> <li>● At least 12 targeted promotional events organized per year</li> </ul>	<ul style="list-style-type: none"> <li>● At least 30 new participants informed about active employment measures per event</li> </ul>	<ul style="list-style-type: none"> <li>✓ Employment Agency of Montenegro</li> <li>✓ Employers</li> </ul>
	<ul style="list-style-type: none"> <li>❖ Unemployed with skills interested in working</li> </ul>	<ul style="list-style-type: none"> <li>■ Inclusion through the Public Works Programme</li> <li>■ Inclusion through seasonal employment</li> <li>■ Providing subsidies/ payments for employers who would accept hard-to-employ individuals for on-the-job training</li> </ul>	<ul style="list-style-type: none"> <li>● 230 unemployed former IDPs/DPs matched with jobs relevant to their skillset by employment centres per year</li> </ul>	<ul style="list-style-type: none"> <li>● 230 former IDPs/DPs having increased their income</li> </ul>	<ul style="list-style-type: none"> <li>✓ Ministry of Labour and Social Welfare</li> <li>✓ Employment Agency of Montenegro</li> <li>✓ Municipalities</li> </ul>
	<ul style="list-style-type: none"> <li>❖ Unemployed without skills interested in working</li> </ul>	<ul style="list-style-type: none"> <li>■ Adult education and training (acquisition of knowledge, skills and competences to perform certain professions)</li> <li>■ Training to work at employer's premises (training for acquiring new knowledge and skills for work at the employer's premises)</li> </ul>	<ul style="list-style-type: none"> <li>● 20 former IDPs/DPs gained new skills per year</li> </ul>	<ul style="list-style-type: none"> <li>● 20 former IDPs/DPs having gained new skills able to join the Public Works Programme and Inclusion through Seasonal Employment</li> </ul>	<ul style="list-style-type: none"> <li>✓ Ministry of Labour and Social Welfare</li> <li>✓ Employment Agency of Montenegro</li> </ul>
	<ul style="list-style-type: none"> <li>❖ Inactive population interested in working</li> </ul>	<ul style="list-style-type: none"> <li>■ Promote success stories and role models that would address the lack of motivation to become included in the livelihoods programmes among the RE population</li> </ul>	<ul style="list-style-type: none"> <li>● At least 3 promotional events/show cases organized per year</li> </ul>	<ul style="list-style-type: none"> <li>● Awareness raised among the target population for livelihoods programmes</li> </ul>	<ul style="list-style-type: none"> <li>✓ Employment Agency of Montenegro</li> <li>✓ Red Cross</li> <li>✓ NGOs</li> </ul>

<p><b>Specific Objective 2: Promote and support self-employment opportunities for former IDPs/DPs</b></p>	<p>❖ Business-oriented target population (interested in establishing their own businesses)</p>	<ul style="list-style-type: none"> <li>■ Promote success stories and role models that have managed to start their own businesses</li> <li>■ Promote existing funding programmes</li> </ul>	<ul style="list-style-type: none"> <li>● At least 3 promotional events/show cases organized per year</li> </ul>	<ul style="list-style-type: none"> <li>● Awareness raised among the target population for self-employment and the funding opportunities available</li> </ul>	<ul style="list-style-type: none"> <li>✓ Municipalities</li> <li>✓ Microcredit institutions</li> <li>✓ NGOs</li> </ul>
<p><b>Specific Objective 3: Increase public awareness to understand the right of former IDPs/DPs and the RE population to work</b></p>	<p>❖ Employers</p> <p>❖ Local communities</p>	<ul style="list-style-type: none"> <li>■ Public campaign/project that would promote success stories</li> <li>■ Individual approach towards employers that could potentially hire the target population</li> <li>■ Explore opportunities with local communities (e.g. municipalities) to organize public works</li> </ul>	<ul style="list-style-type: none"> <li>● Continual campaign and at least 5 employers contacted directly per year</li> <li>● At least one public works programme per local community (municipality) identified per year</li> </ul>	<ul style="list-style-type: none"> <li>● Awareness raised among employers and local communities about the right of former IDPs/DPs and the RE population to work</li> </ul>	<ul style="list-style-type: none"> <li>✓ Employment Agency</li> <li>✓ NGOs</li> </ul>
<p><b>Specific Objective 4: Increase readiness among former IDPs/DPs to become employed</b></p>	<p>❖ Former IDPs/DPs</p>	<ul style="list-style-type: none"> <li>■ Workshops to discuss employment opportunities, organizing short training to develop soft skills</li> </ul>	<ul style="list-style-type: none"> <li>● Continual campaign with at least 1 event per quarter per region</li> </ul>	<ul style="list-style-type: none"> <li>● Increased readiness of the target group to become employed; development of soft skills</li> </ul>	<ul style="list-style-type: none"> <li>✓ Employment Agency</li> <li>✓ Red Cross</li> <li>✓ NGOs</li> </ul>
<p><b>Specific Objective 5: Promote subsidies for employers provided by the Government of Montenegro for employing harder-to-employ groups.</b></p>	<p>❖ Employers</p>	<ul style="list-style-type: none"> <li>■ Preparing, printing and distribution of leaflets with: 1) information about subsidies available; 2) contact points to obtain the workforce; and 3) short best-practice presentation</li> </ul>	<ul style="list-style-type: none"> <li>● At least 20 former IDPs/DPs employed a year</li> </ul>	<ul style="list-style-type: none"> <li>● More employers interested in exploring the possibility of hiring former IDPs/DPs</li> </ul>	<ul style="list-style-type: none"> <li>✓ Employment Agency</li> <li>✓ Business Associations</li> <li>✓ Municipalities</li> </ul>

## MEDIUM-TERM INTERVENTIONS

Strategic Objective	Target Groups	Intervention Activities	Performance Indicators	Impact Indicators	Potential Partners
<b>Specific Objective 1: Support the socio-economic integration of former IDPs/DPs in Montenegro into the formal labour market</b>	<ul style="list-style-type: none"> <li>❖ Unemployed with skills interested in working</li> </ul>	<ul style="list-style-type: none"> <li>■ Mediation in the employment process</li> </ul>	<ul style="list-style-type: none"> <li>● At least 100 former IDPs/DPs matched with jobs relevant to their skillset by employment centres</li> </ul>	<ul style="list-style-type: none"> <li>● At least 100 former IDPs/DPs having increased their income</li> </ul>	<ul style="list-style-type: none"> <li>✓ Employment Agency of Montenegro</li> </ul>
		<ul style="list-style-type: none"> <li>■ Training for the unemployed to gain additional skills</li> </ul>	<ul style="list-style-type: none"> <li>● At least 2 specific training courses designed and executed per year</li> </ul>	<ul style="list-style-type: none"> <li>● At least 10 former IDPs/DPs per training course having gained additional skills</li> </ul>	<ul style="list-style-type: none"> <li>✓ Employment Agency of Montenegro</li> <li>✓ NGOs</li> </ul>
		<ul style="list-style-type: none"> <li>■ For the RE population, introduction of intermediary agencies/agents who would recommend an individual for a particular working engagement and for basic or simple jobs</li> </ul>	<ul style="list-style-type: none"> <li>● The project of an intermediary agency designed and promoted, a database of potential workers and employers created</li> </ul>	<ul style="list-style-type: none"> <li>● At least 50 RE former IDPs/DPs</li> </ul>	<ul style="list-style-type: none"> <li>✓ Red Cross</li> <li>✓ RE NGOs</li> <li>✓ Employers with experience in hiring RE former IDPs/DPs</li> </ul>
	<ul style="list-style-type: none"> <li>❖ Unemployed without skills interested in working</li> </ul>	<ul style="list-style-type: none"> <li>■ Training for independent work (those with no work experience at the required level)</li> <li>■ Improvement of the education and training of the RE population through the implementation of programmes for the acquisition of first qualifications for people with no qualifications</li> </ul>	<ul style="list-style-type: none"> <li>● At least 2 training courses designed and executed per year</li> </ul>	<ul style="list-style-type: none"> <li>● At least 10 former IDPs/DPs per training having gained relevant skills</li> </ul>	<ul style="list-style-type: none"> <li>✓ Employment Agency of Montenegro</li> <li>✓ NGOs</li> <li>✓ Training providers</li> </ul>
			<ul style="list-style-type: none"> <li>■ Design and execute the campaign for raising awareness about women's need to be economically active both among RE women, but also other community members/building trust/ fighting tradition-related stereotypes; promoting role models</li> </ul>	<ul style="list-style-type: none"> <li>● A 2-year campaign with promotion of role models and success stories designed and executed</li> </ul>	<ul style="list-style-type: none"> <li>● Awareness raised of both RE women and other community members</li> </ul>
	<ul style="list-style-type: none"> <li>❖ RE women interested in working</li> </ul>				

<p><b>Specific Objective 2: Promote and support self-employment opportunities for former IDPs/DPs</b></p>	<p>❖ Business-oriented population (interested in establishing own business)</p>	<ul style="list-style-type: none"> <li>■ Organize training/workshops to develop craft-related skills</li> <li>■ Support the social entrepreneurship/enterprise concept (developing the legal framework) to ensure sustainability</li> <li>■ Training courses for specific crafts – master’s exam preparation (professional practice, professional theory, entrepreneurship, pedagogy classes)</li> <li>■ Mentorship support and/or advisory support</li> <li>■ Providing joint premises for various entrepreneurs providing craft-related services in Podgorica, as a pilot project</li> </ul>	<ul style="list-style-type: none"> <li>● At least 2 training courses organized per year</li> <li>● Law drafted and adopted by the Government of Montenegro and Parliament of Montenegro</li> <li>● At least 1 training course organized per year</li> <li>● Mentorship programme designed and executed</li> <li>● Business premises available for craftsmen</li> </ul>	<ul style="list-style-type: none"> <li>● At least 10 participants having gained some craft-related skills</li> <li>● Framework for sustainability of various social enterprises created</li> <li>● At least 10 former IDPs/DPs trained for self-employment with relevant knowledge to run a business</li> <li>● At least 5 mentor-mentee pairs established and functional</li> <li>● Lower costs for running a business, as well as the possibility for joint market actions</li> </ul>	<ul style="list-style-type: none"> <li>✓ RE NGOs</li> <li>✓ Red Cross</li> <li>✓ HELP +</li> <li>✓ Ministry of Labour and Social Welfare</li> <li>✓ Montenegro Chamber of Skilled Crafts</li> <li>✓ Donors</li> <li>✓ Business community</li> <li>✓ Municipalities</li> </ul>
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## LONG-TERM INTERVENTIONS

Strategic Objective	Target Groups	Intervention Activities	Performance Indicators	Impact Indicators	Potential Partners
<b>Specific Objective 1: Support the socio-economic integration of former IDPs/DPs in Montenegro into the formal labour market</b>	<ul style="list-style-type: none"> <li>❖ RE IDPs/DPs</li> </ul>	<ul style="list-style-type: none"> <li>■ Continuous campaign for improving education through obligatory attendance of classes in elementary and secondary schools</li> <li>■ Condition any kind of material support to the family with obligatory enrolment and regular attendance of classes</li> <li>■ Promotion of role models</li> </ul>	<ul style="list-style-type: none"> <li>● Increase enrolment in primary and secondary schools to 100%</li> <li>● Number and percentage of children not completing primary and secondary education (dropping out)</li> </ul>	<ul style="list-style-type: none"> <li>● Education levels of former RE IDPs/DPs in Montenegro increased</li> </ul>	<ul style="list-style-type: none"> <li>✓ Ministry of Labour and Social Welfare</li> <li>✓ UNICEF</li> <li>✓ Ministry of Education</li> <li>✓ Red Cross</li> </ul>

While the Montenegrin economy is slowly recovering in such a way as to influence the generation of new jobs, some of the actions proposed above should enable the acquisition of new skills and the obtaining of required qualifications among the most vulnerable in the society, which would allow them to catch up with the overall economic development in the country. However, the results require coordinated and joint action by the various institutions at both the national and local levels, as well as by international organizations and the donor community.



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