

MONTENEGRO

The ILO Work4Youth project worked with the Statistical Office of Montenegro to implement the School-to-work transition survey (SWTS) in 2015 (September–October). The results of the survey was published in D. Djuric (2016): *Labour market transitions of young women and men in Montenegro*, Work4Youth Publication Series No. 34 (Geneva, ILO). The report is also available in Montenegrin. The objective of this country note is to offer a general summary of youth labour market trends in Montenegro based on the SWTS. Youth is defined as 15–29.

Main findings of the ILO SWTS

Human capital and mismatch

- Almost all surveyed youth had attended school or a training programme at some point in their lives (only 0.9 per cent of youth had never attended any school). Slightly less than half of the youth population (45.3 per cent) had completed school in 2015 while 51.8 per cent was still attending school. Young women in Montenegro have equal opportunities to young men in terms of access to education.
- SWTS results show a strong correlation between the levels of education and a young person's labour market transition: a young person with tertiary education managed to complete the transition from school to a stable/satisfactory job in 12.1 months, on average, in 2015, compared to 23.2 months for youth with secondary education and 61.1 months for youth with primary education only.
- A majority of employed youth is adequately educated for the job they were doing (80.7 per cent of young workers with qualifications matching to those expected for the occupation in 2015). Yet given the high levels of educational attainment in the country, not all educated youth is able to find a job that matched their level of qualifications; 11.4 per cent of working youth were overeducated for their job in 2015, while only 8.0 per cent of young workers were classified as undereducated.
- More than one-half (52.3 per cent) of current students in Montenegro showed a preference for future work in the government/public sector. While the attraction of public sector employment is understandable given concerns with job security, the ability of the sector to absorb a significant number of young workers is limited.

The ILO **School-to-work transitions surveys (SWTS)** are implemented as an outcome of the Work4Youth (W4Y) project, a partnership between the ILO and The MasterCard Foundation. The project has a budget of US\$14.6 million and will run for five years to mid-2016. Its aim is to “promote decent work opportunities for young men and women through knowledge and action”. The immediate objective of the partnership is to produce more and better labour market information specific to youth in developing countries, focusing in particular on transition paths to the labour market.

See the website www.ilo.org/w4y for more information.

Underutilization of the youth labour potential remains a top concern

- The youth labour underutilization rate in Montenegro was relatively high at 44.6 per cent in 2015. The share of underutilized labour potential consists of 12.5 per cent of the youth population in irregular employment (either in self-employment or paid employment with contract of less than 12 months), 21.9 per cent unemployed and 10.2 per cent inactive non-students.
- The youth unemployment rate was 41.3 per cent in 2015, more than double the EU-28 average of 16.1 per cent (Eurostat, youth aged 15-29). The unemployment rate of young women was lower than that of young men (36.4 and 44.8 per cent, respectively).
- The most disadvantaged in finding work are those with the lowest levels of educational attainment; the unemployment rate of a young person with primary education was double that of a young university graduate at 65.2 and 32 per cent, respectively. It was also difficult to find jobs for those with a completed general secondary education, with an unemployment rate of 54.5 per cent in 2015.
- Not only are unemployment rates high for youth in Montenegro, but the length of unemployment can also be extremely long. More than two-thirds (70.1 per cent) of unemployed youth had been looking for work for longer than one year in 2015.
- The share of youth neither in employment nor in education or training (NEETs) in Montenegro stood at 28.6 per cent in 2015, with comparable figures for both young women and men.

Low employment rates for youth remain a strong hindrance to the country's productive transformation

- Only one-quarter (25.2 per cent) of youth in Montenegro is employed.
- The majority of young workers (90 per cent) were in paid employment and only a small share (8.3 per cent) remained in vulnerable employment as own-account workers (5.1 per cent) or unpaid family workers (3.2 per cent). At the same time, 13.4 per cent of youth in paid employment were engaged without a written contract and almost a half (45.8 per cent) of young workers on limited duration contracts were with contract durations of less than one year.
- The services sector absorbs by far the largest portion of Montenegro's young workers (81.6 per cent of young male workers and 95.1 per cent of young female workers), followed by industry (16.8 per cent of young male workers and 4.5 per cent of young female workers) and agriculture (1.6 and 0.4 per cent, respectively).
- Informal employment affected close to two-thirds (59.5 per cent) of young workers in Montenegro in 2015.

Selection of data tables

Table 1. Youth population by educational status, 2015 (%)

Educational status	Total	Male	Female
Never attended school	0.9	0.7	1.1
Dropped out before graduation or completion of school	2.1	2.5	1.6
Currently attending school	51.8	49.1	54.7
Education completed	45.3	47.7	42.6
Total	100	100	100

Table 2. Key youth labour market indicators – traditional distribution, 2015 (%)

	Total	Male	Female
Employed	25.2	26.0	24.2
Unemployed (strict definition)	17.7	21.1	13.9
Inactive	57.2	53.0	61.9
Total	100	100	100
Youth labour force participation rate	42.8	47.0	38.1
Youth unemployment rate (strict definition)	41.3	44.8	36.4

Note: The "strict" definition of unemployment refers to persons without work, available to work and actively engaged in a job search. The "broad" definition excludes the job search criteria. The youth unemployment rate is the number of unemployed persons divided by the youth labour force (employed plus unemployed).

Table 3. Key youth labour market indicators – alternative distribution, 2015 (%)

	Total	Male	Female
In regular employment	12.7	13.4	11.8
In irregular employment	12.5	12.6	12.4
Unemployed (broad definition)	21.9	25.6	17.8
Inactive students	42.7	41.2	44.4
Inactive non-students	10.2	7.2	13.5
Total	100	100	100
Youth labour force participation rate (broad definition)	47.1	51.6	42.1
Youth unemployment rate (broad definition)	21.9	25.6	17.8
Youth labour underutilization rate	44.6	45.4	43.8

Table 4. Distribution of NEET youth by composition, 2015 (%)

Sex	NEET rate	of which:	
		Inactive non-students	Unemployed non-students
Total	28.6	12.8	15.8
Male	29.8	10.3	19.5
Female	27.3	15.6	11.7

Table 5. Employed youth by status in employment, 2015 (%)

Status in employment	Total	Male	Female
Wage and salaried workers (employees)	90.0	87.6	92.7
Employers	1.5	2.4	0.5
Own-account workers	5.1	5.8	4.2
Contributing (unpaid) family workers	3.2	3.8	2.6
Other	0.2	0.4	0.0
Total	100	100	100

Table 6. Young wage and salaried workers by type of contract, 2015 (%)

Type of contract	Total	Male	Female
Written agreement	86.6	84.0	89.5
Oral agreement	13.4	16.0	10.5
Unlimited duration	43.6	46.1	40.7
Limited duration	56.4	53.9	59.3
– Less than 12 months	45.8	43.7	48.1
– 12 months to less than 36 months	8.3	7.5	9.3
– 36 months or more	2.3	2.7	1.9
Total	100	100	100

Table 7. Distribution of youth employment by sector at the 1-digit level, 2015 (%)

Sector	Total	Male	Female
Agriculture	1.1	1.6	0.4
Industry	11.2	16.8	4.5
Services	87.7	81.6	95.1
Agriculture, forestry and fishing	1.1	1.6	0.4
Mining	0.7	1.0	0.2
Manufacturing	4.8	8.2	0.7
Water supply	2.3	3.4	0.9
Construction	3.5	4.2	2.7
Wholesale and retail trade	26.9	23.4	31.1
Transport	6.9	10.9	2.2
Accommodation	11.0	11.4	10.6
Information and communications	3.9	2.7	5.4
Financial activities	2.7	2.3	3.2
Professional scientific activities	3.2	3.2	3.3
Administrative and support activities	3.6	4.7	2.3
Public administration	7.3	8.9	5.4
Education	3.2	1.5	5.4
Health and social work	5.9	1.5	11.1
Arts and entertainment	6.1	6.0	6.1
Other services	6.6	5.0	8.6
Private households	0.2	0.0	0.4

Table 8. Youth informal employment by composition, 2015 (%)

	Total	Male	Female
Youth formal employment rate	40.5	38.3	43.2
Youth informal employment rate	59.5	61.7	56.8
Of which:			
– Informal employment outside the informal sector (share in informal employment)	85.7	82.9	89.2
– Employment in the informal sector (share in informal employment)	14.3	17.1	10.8
Total	100	100	100

Table 9. Employed youth by overeducation, undereducation or matching qualifications, 2015 (%)

Qualifications match	Total	Male	Female
Undereducated	8.0	10.7	4.5
Overeducated	11.4	10.6	12.3
Matching qualifications	80.7	78.7	83.2
Total	100	100	100

Table 10. Youth unemployment rates by level of completed educational attainment, 2015 (%)

Educational attainment	Total	Male	Female
Less than primary (including no schooling)	42.8	45.5	-
Primary	65.2	61.4	74.3
Secondary vocational	48.7	51.4	43.3
Secondary general	54.5	59.5	47.2
Post-secondary vocational	18.3	14.4	30.1
University and postgraduate studies	32.0	33.9	30.7

Table 11. Unemployed youth by duration of job search, 2015 (%)

Duration of job search	Total	Male	Female
Less than a week	0.7	1.1	0.0
1 week to less than 1 month	5.6	5.2	6.2
1 month to less than 3 months	10.5	8.6	13.6
3 months to less than 6 months	8.0	8.7	7.0
6 months to less than 1 year	5.1	4.9	5.5
More than a year	70.1	71.5	67.8
Total	100	100	100

Table 12. Youth population by stages and subcategories of transition, 2015 (%)

Stage of transitions	Total	Male	Female
Total transited	15.5	16.4	14.5
Transited to stable employment	10.2	11.0	9.3
Transited to satisfactory temporary employment	4.2	4.1	4.3
Transited to satisfactory self-employment	1.1	1.3	0.9
In transition	39.9	41.7	38.0
Unemployed (broad definition)	18.4	22.6	13.8
In non-satisfactory temporary employment	3.5	3.6	3.3
In non-satisfactory self-employment	0.6	1.0	0.3
Active students	9.1	7.9	10.3
Inactive non-students with aim to work in the future	8.4	6.6	10.4
Transition not yet started	44.6	41.9	47.6
Inactive students	42.7	41.2	44.4
Inactive non-students with no plans to work in the future	1.9	0.7	3.2
Total	100	100	100

Note: Unless other specified, the categories exclude current students.