

SKILLS FOR SMART SPECIALISATION IN MONTENEGRO

**Understanding and managing skills as a key resource for
growth and competitiveness**

CONDENSED SUMMARY

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This report presents findings from an assessment of the implication of skills in the Republic of Montenegro's smart specialisation strategy. The ETF's role is to support Montenegro as it endeavours to give vocational education and training (VET) systems a clear role in the implementation of its smart specialisation strategy. Smart specialisation is an innovative policy approach that aims to boost jobs and growth by enabling countries and regions to better exploit their competitive advantage. For Montenegro, this means taking full advantage of its existing labour assets and investing in skills. Indeed, policy that prioritises human capital development will foster growth and innovation in the two priority areas identified by smart specialisation: renewable energy sources and sustainable health tourism. From the quantitative and qualitative research carried out by the Montenegrin government authorities with the ETF's support, it is clear that there is strong potential for growth in both renewable energy sources and sustainable health tourism. The current skills supply in Montenegro can be tailored to provide the priority areas with the skills necessary for growth. This can be accomplished through more flexible and targeted programmes in post-secondary or tertiary education as well as VET. Transferable skills also need to be developed in initial education and in continuing, life-long learning courses. Fluency in English is essential as are ICT skills. Standard qualifications for careers in the two sectors need to be updated. Finally, in order to have greater precision in terms of skills and training gaps, better data collection at the subsector level is recommended. This will improve the government's ability to plan its education policy.

This report puts forward several policy proposals. The purpose behind these measures is to upgrade the current system by enhancing skills development, which will lead to growth and innovation in Montenegro. These policy measures are as follows:

1. **Prioritise** the development of more sensitive human capital-related statistics and analyses that are crucial to proper education planning by assessing the current situation, estimating needs and emerging trends.
2. **Consolidate** the human capital dimension of government strategies to shore up SMEs' innovation capacity, reduce skill mismatches and increase the potential for job creation, economic growth and competitiveness.
3. **Integrate** VET and skills analysis within the smart specialisation approach – with a strong role for industry and business, which are profit-oriented and as such are exposed to market competition to the highest extent. This group has the greatest needs and the greatest potential for human capital development. Industry and business should, therefore, take the lead in human capital needs identification as well as skills development and planning.
4. **Develop** a strategic framework for health tourism so that Montenegro can become a health tourism destination. For this to happen, new services, new skills and new competences will be necessary.
5. **Update** and increase the education offer relevant for the smart specialisation priorities by developing occupational and qualification standards for the renewable and health tourism subsectors.
6. **Embed** key competences, transversal skills and sustainable development concepts in the educational programmes. These should be acquired at all levels of education and beyond through lifelong learning.
7. **Expand** vocational training to secure a skilled workforce for smart specialisation economic priorities by reinforcing the links between IVET and CVET providers. In general, SMEs and family-run businesses require innovative and flexible forms of education and training to meet skills needs.