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# ***Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe***

## **Final Country Report**

### **Montenegro**

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**Authors: Vladimir Grečić  
Jadranka Kaludjerović**

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**List of abbreviations**

<b>CBM</b>	Central Bank of Montenegro
<b>EBRD</b>	European Bank for Reconstruction and Development
<b>EC</b>	European Commission
<b>EAM</b>	Employment Agency of Montenegro
<b>ETF</b>	European Training Foundation
<b>EU</b>	European Union
<b>EUR</b>	Euro
<b>FDI</b>	Foreign Direct Investment
<b>FRY</b>	Federal Republic of Yugoslavia
<b>GDI</b>	Gender Development Index
<b>GDP</b>	Gross Domestic Product
<b>GEM</b>	Gender Empowerment Measure
<b>GEO</b>	Gender Equality Office
<b>GTZ</b>	German Technical Cooperation (Gesellschaft für technische Zusammenarbeit)
<b>HDI</b>	Human Development Index
<b>HDR</b>	Human Development Report
<b>IDPs</b>	Internally Displaced Persons
<b>ISSP</b>	Institute for Strategic Studies and Prognoses
<b>LFS</b>	Labour Force Survey
<b>MDGs</b>	Millennium Development Goals
<b>MLSW</b>	Ministry of Labour and Social Welfare
<b>MONSTAT</b>	Montenegrin Statistical Office
<b>NAP</b>	National Action Plan
<b>OADP</b>	Organic Agriculture Development Programme (of the Danish cooperation aid)
<b>PWD</b>	Persons with Disabilities
<b>RAE</b>	Roma, Ashkali and Egyptians
<b>SEI</b>	Social Exclusion Index
<b>SFRY</b>	Socialist Federal Republic of Yugoslavia
<b>SIF</b>	Social Innovation Fund
<b>SME</b>	Small and Medium Enterprises
<b>UN</b>	United Nations
<b>UNCT</b>	United Nations Country Team
<b>UNDP</b>	United Nations Development Programme
<b>UNHCR</b>	Office of the UN High Commissioner for Refugees
<b>USAID</b>	U.S. Agency for International Development
<b>USD</b>	United States Dollar

## **1. Socio-Economic and Political Overview**

Montenegro is a Mediterranean country, located in Southeast Europe. It is bordered by Italy to the south (sea border), Croatia to the west, Bosnia and Herzegovina to the northwest, Serbia to the northeast, Kosovo\* to the east and Albania to the southeast. The capital and largest city is Podgorica, while Cetinje represents the old royal capital and former seat of the monarchy.

### **1.1. Political overview**

Montenegro saw its independence from the Ottoman Empire formally recognised in 1878. During World War I, Montenegro was defeated and occupied by Austria. In late 1918, unification with Serbia was declared. From 1919 to 1941, Montenegro was part of what became known as the Kingdom of Yugoslavia. When Yugoslavia was invaded and partitioned by the Axis powers in April 1941, Montenegro was occupied by Italy. After World War II, Montenegro was granted the status of a republic within the Socialist Federal Republic of Yugoslavia (SFRY).

During 1991 and 1992, Slovenia, Croatia, Bosnia and Herzegovina, and Macedonia all seceded from Yugoslavia (USA, 2011). In April 1992, Serbia and Montenegro jointly approved the Constitution of the Federal Republic of Yugoslavia (FRY) („small Yugoslavia“). In fact, the state changed its name a number of times, in 1992, 2003, and 2006. As a matter of fact, it was the Federal Republic of Yugoslavia (from 1992 until 2003), the State Union of Serbia and Montenegro (from 2003 until 2006) and the Republic of Montenegro (from 2006), as independent country. The wars which accompanied the dissolution of Yugoslavia during the 1990s impacted on the Montenegrin population. In particular the lack of safety and security as consequence of the war, fears that young people would be mobilised for the war, and ethnic tensions in the former states of Yugoslavia were all elements that forced young and middle-aged persons (especially men) to migrate abroad.

Montenegro became independent on 3 June 2006, following the holding of a referendum on independence, an option envisaged by the Constitutional Charter of the State Union of Serbia and Montenegro<sup>1</sup>. The Republic of Serbia recognised Montenegro as an independent state on 15 June 2006. The first parliamentary elections following Montenegro's declaration of independence were held in September 2006 and the new elected Montenegrin Parliament began work on the country's first post-independence constitution, adopted in October 2007.

The Stabilisation and Association Agreement between Montenegro and the EU was signed in October 2007 as well as an Interim Agreement which entered into force in January 2008. Montenegro has been a candidate for EU membership since 17 December 2010.

As regards its territorial division, Montenegro counts 19 municipalities, the capital city (Podgorica) and the Old Royal Capital (Cetinje) (Map 1). The municipality constitutes the basic form of local government, but other forms of local government can be found. In Montenegro, there are no administrative regions. However, for statistical and analytical purposes the Montenegrin municipalities are grouped into 3 different regions (Northern, Central and Coastal/Southern region) (Map 2). Moreover, the Statistical Office of Montenegro has proposed to define the 21 municipalities as statistical areas at the LAU1 Level in accordance with the EU standard of the NUTS classification<sup>2</sup>.

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\* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/99 and the ICJ Opinion on the Kosovo declaration of independence.

<sup>1</sup> This option was created in 2002 with the active involvement of the European Union. The EU Foreign Ministers on 12 June 2006 recognised the referendum result and announced that EU members would individually recognise Montenegro and establish diplomatic relations with it.

<sup>2</sup> The whole country Montenegro being proposed as one statistical region at NUTS 1, 2 and 3 level. See: Montenegro Statistical Office MONSTAT (2010): Proposal of Statistical Regions of Montenegro in accordance

Due to Montenegro's short independence much of the statistical data is either not available or refers to the State Union of Serbia and Montenegro and/or the Federal Republic of Yugoslavia.

## **1.2. Demographic Developments**

Based on the 2011 census Montenegro has 620,029 citizens. The most populated cities in Montenegro are: Podgorica (185,937 inhabitants), Niksic (72,443) and Bijelo Polje (46,051). As the presented data shows, 30% of the total population lives in Podgorica. As regards the age structure, the share of the youngest (15 and less) is only slightly higher (19.7%) than the EU average (15.4%). Montenegro's working age population (aged 15-64) in 2009 was estimated at 434,300, among which 60.3% (or 262,100) were economically active. This represents around 0.1% of the EU economically active population (EC, 2010: 11).

The 2011 census also provides a picture of the religious and ethnic structure of Montenegro's population. Montenegro is a multi-ethnic state composed of Montenegrins (44.98%), Serbs (28.73%), Bosniaks (8.65%), Albanians (4.91%), Muslims (3.31%), Roma (1.01%), Croats 0.97% and other ethnic groups (7.44%) whereby the majority of the population is of Orthodox religion (72.07%)<sup>3</sup>. In accordance with the multi-ethnic character of the population, many languages are spoken in the country<sup>4</sup> (whereby Montenegrin is the official language).

The census data after World War II, as well as information on vital statistics, show that during the entire period from 1948 to 2003, Montenegro experienced a positive natural growth. Over the same time however, the migration balance always remained negative (MONSTAT, 2008: 23). Therefore, Montenegro has traditionally been an emigration country, characterised mainly by migration for economic reasons. However, the intensity of emigration was also attributed to historical, economic, demographic, political, social, ethnic and psychological factors whereby the political and war events of the 1990s have accelerated emigration from Montenegro.

As a result of favourable economic performances, Montenegro has, from a predominantly country of emigration, become a country of immigration (Table 2 and 1.2). In fact, the net migration rate in 2007 reached 1.2 %, as compared to -2.4% in 2000 (Table 6).

## **1.3. Economic Development, Poverty and Social Exclusion**

Montenegro has natural resources, primarily bauxite, adequate water supplies, and a climate conducive to agriculture and tourism (USA, 2011). The establishment of the bauxite-alumina-aluminium industry after World War II provided Montenegro with a core strategic industry while the existence of a unified Yugoslavia offered guaranteed markets and a wide pool of suppliers. The Montenegrin economy however remains mostly based on the service sector (71.3% of GDP in 2010)<sup>5</sup>; especially in the 1960s, tourism began its initial growth, largely attracting visitors from Eastern Europe and Yugoslavia.

The last decade of the twentieth century was characterised by the disintegration of the FRY, wars, sanctions, NATO strikes and political changes. As all these events were deterrent by themselves they additionally influenced the economic situation and added to an already weak economy, thus leading to its complete collapse. Hyperinflation lowered the living standard and citizens lost confidence in all state institutions. In 1999 the GDP in Montenegro was 61% lower than in 1989. If value added produced in the informal economy was included, the decline was lower (42%). Such a drop in GDP was an indicator of many problems faced

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with NUTS classification, Podgorica 2010. Available at:

<http://www.monstat.org/userfiles/file/klasifikacije/statistical%20regions%20.pdf> (retrieved on 30.03.2012).

<sup>3</sup> Islam: 15.97%, Muslim: 3.44%, Catholic: 3.44% and other: 5.38%.

<sup>4</sup> Serbian: 42.88%, Montenegrin: 36.97%, Bosnian: 5.33%, Albanian: 5.27%, Serbo-Croatian: 2.03%, Roma: 0.83%, Bosniak: 0.59%, Croatian: 0.45% and other languages: 5.55%. Source: Census 2011.

<sup>5</sup> While industry made up 19.5% of GDP and agriculture 9.2% in 2010. See: World Bank, Montenegro at a Glance, dated 29.03.2012. Available at: [http://devdata.worldbank.org/AAG/mne\\_aag.pdf](http://devdata.worldbank.org/AAG/mne_aag.pdf).

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by Montenegro such as low production, high unemployment, strong pressures on the government, low tax revenues, but also high budget expenditures in order to provide social stability. Fiscal policy led to a high fiscal deficit, mostly financed international support. Also, savings declined and as a result of it, investments. The financial system was in a crisis and inflation again was high (up to 100%) which made economic performance even worse. This situation presented a weak base for changes in the economy and the transition process. The first economic decision aimed at solving the very difficult economic situation was the introduction of the Deutsche Mark as legal tender in Montenegro in 1999. This was a first but very important step towards the realisation of transition in Montenegro which paved the way for further institutional and economic reform.

During the 2000s Montenegro experienced a period of economic growth, the GDP steadily increasing from 1.9% in 2002 up to 4.2% in 2005 (UN, 2011: 148). Over the three-year pre-crisis period (2006-2008) economic growth remarkably accelerated with average rates amounting to around 8% (8.5% in 2006, 10.6% in 2007 and 7.0% in 2008). During this period there has been rapid growth in tourism and tourism investments, particularly along the Adriatic coast in the years after independence.

The impressive economic growth achieved during the years of economic boom created opportunities and increased the living standard of the Montenegrin population. It also allowed the government to increase its allocations for the social sector and increase expenditure on education and health care. However, in 2010 still 6.6%<sup>6</sup> of population lives below the poverty line but an analysis comparing the poverty status of the Montenegrin population (ISSP/UNDP, 2009) revealed that chronic and extreme poverty outside the non-vulnerable groups is minimal. Poverty is concentrated in certain geographic areas, mainly north of the country while the most vulnerable groups are the Roma, Ashkali and Egyptian (RAE) population, displaced persons, social welfare beneficiaries, persons with disabilities and long-term unemployed. Montenegro ranks 54th out of 184 countries by the level of Human Development Index and belongs to the group of countries with high levels of human development.

After several years characterized by high GDP growth, a budget surplus, a record inflow of foreign direct investments, an increase in the number of employed as well as a very dynamic development of the banking system, Montenegro was severely affected by the global financial and economic crisis and entered a period of recession as from 2009. The crisis induced a decline in economic activity, in particular a fall in aluminium exports, and a deterioration of almost every macro-economic indicator. In 2009 the GDP growth rate was -5.7%, which was a significant decrease after several years of increase with rates of 10.7% in 2007 and 7.5% in 2008 (EBRD, 2010: 132) Industrial production contracted by about 32%, following the sharp fall in mining and manufacturing activities (EBRD, 2010: 132) and as the Montenegrin banking sector was severely hit by the global financial crisis, bank credits to the economy contracted by 14.3% in 2009 (ibid.: 133).

There are no data on the impact of the economic and financial crisis on migration flows of Montenegro, but the impact on the economic situation in the country, on the GDP, employment, social conditions and living standards is well known. According to the World Bank data (World Bank, 2011: 5), the social impacts of the crisis on household welfare can be traced through four main transmission channels: (i) financial markets, via reduced access to credit, eroding savings, and sinking asset values; (ii) labour markets, via falling employment, wages, and remittances; (iii) product markets, via declining growth and production, and relative price changes; and (iv) government services, via reduced education, health, and social protection services. In Montenegro, of the 22% of households that reported a crisis impact, 15% reported being affected by reduced wage income, 6% reported being affected by a decline in remittances, and 4% by a decline in family business (World Bank, 2011: 15).

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<sup>6</sup> MONSTAT (2011), *Poverty analysis in Montenegro for 2010*.

According to latest available data, the economy started to recover from the crisis in 2010 with a GDP (2010) amounting to about EUR 3,050 billion<sup>7</sup> (real annual growth rate of 2.5%), or per capita level of EUR 5,006. Tourism, agriculture, energy and the wood processing industry are sectors with still significant growth potential in Montenegro. Real GDP growth rate (2011 est.) is 1.8% (USA, 2012). Data on unemployment varies strongly depending on the method of calculation, with a registered unemployment rate between 10-15% and LFS data pointing to an unemployment rate close to 20% in 2010 (EC, 2010: 11). This rate has substantially decreased compared to the high level of 2005 (around 30%). Furthermore, an important significant number of persons work in the informal economy.

## **2. Main Emigration and Internal Migration Trends and Patterns**

### **2.1. Main emigration trends**

Throughout the 20th century Montenegro has been a typical emigration area. Poor economic development and large-scale destruction during the wars (World War I and World War II) were the main cause of mass exodus of the population of Montenegro. In the long period of time, Montenegrin communities have been formed around the world. The most important destinations of migrants from Montenegro first were other South Slavic areas, later the other republics of former Yugoslavia, in particular Serbia.

Prior to 1990, the *first major wave* of emigration launched immediately after World War II, was directed to Serbia. It was a massive, organised migration that occurred in the implementation of the Yugoslav land reform and settlement of fertile areas, especially in the Vojvodina, where used to live Germans who left this region after 1945. In the 1945-1947 period, 5,500 households with a total of about 31,000 people emigrated from Montenegro to Serbia (MONSTAT, 2008: 40). Emigration from Montenegro continued after the land reform in Yugoslavia, but with much less intensity and much greater spatial dispersion. Migration was primarily motivated by economic reasons and largely focused on Serbia and Belgrade in particular.

In the period between 1953 and 1961 the net migration rate was negative (-7.2%) (MONSTAT, 2008: 40). At the time of the census of 1961, 75,800 immigrants from Montenegro lived in other Yugoslav republics whereby the bulk of it (51,500 or 68%) lived in Serbia (MONSTAT, 2008: 41). However, inter-republic migration was registered as internal migration, and the net migration rate was positive (Table 3). Twenty years later, at the time of the 1981 census, the other Yugoslav republics recorded a total of 105,000 immigrants from Montenegro, with Serbia being again the main destination.<sup>8</sup> After 1981, inter-republic migration slowed. The weakening of ties between the Yugoslav republics due to frequent political and economic crisis had an impact on population movements, especially on migration of labour force between them.

The *second major wave* of migration from Montenegro occurred in the 1965-1973 period. It was a massive emigration abroad, jointly organised by the Federal State Agency of the SFRY and the main migration receiving countries (Germany, Austria, France, and Switzerland) in the frame of guest-worker agreements. According to UN data (Population Division), between 1965 and 1970 Montenegro had a negative migration balance with about 8,000 emigrants more than immigrants who entered the republic (Table 2); the net migration rate (per 1,000 population) was -3% (Table 3). This period is characterised by predominantly temporary migration for work or economic reasons. Migration was dominated by mostly unskilled or semi-skilled migrant workers, who took short or medium-term employment and either returned home or had their families join them after some time abroad. In the aftermath

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<sup>7</sup> In US \$: 4,087 billion (the average parity of the US dollar to the Euro for 2010 was 0.7463).

<sup>8</sup> In 1961 27,300 persons had immigrated from to Montenegro from other former Yugoslav republics (53% of them from Serbia). In 1981 this number amounted to 49,000, of which 28,000 (57.1%) were from Serbia (MONSTAT, 2008: 41).

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of the oil crisis in Western Europe in 1973 until 1980, emigration from Montenegro was reduced to a minimum. During this period the number of immigrants (incl. returning migrants) outnumbered those who left Montenegro (Table 2).

The next *third wave* of emigration took place between 1980 and 1985, when the net migration rate was -6% (Table 3).

Over two decades (1971-1991), the number of Montenegrins working or staying abroad more than doubled (from 11,000 to 24,000), and their share in the total population of Montenegro<sup>9</sup> increased from 2.1% to 3.9% (MONSTAT, 2008: 42).

The largest, *fourth wave* of emigration from Montenegro took place in the 1990s in response to the wars in some of the republics of former Yugoslavia, and in the first half of the 2000s due to the difficulties incurred by the late transition in Montenegro. According to UN data (Population Division), while the net migration rate was still positive between 1985 and 1995, it became by large negative (-10%) in the 1995-2000 period and still -7% in the 2000-2005 period. In other words, the net number of migrants in Montenegro was -53,000 in the 1995-2005 period (Table 2).

Following independence in 2006, implementation of economic and other reforms, the labour market in Montenegro is stabilized and opened up more jobs. Thus, Montenegro became a country of net immigration (Table 6).

From 1991 to 2003 there was a significant increase in the number of Montenegrin citizens working abroad (outside the republics of former Yugoslavia). During this period, the number of temporary migrants staying and working abroad more than doubled, increased by 32,000, or over 2.500 per year. It was the most intense increase in the volume of migration as from the mid-1960s and the share of the population abroad in the total Montenegrin population rose from 3.9% to 8.9% (Table 1). According to the census of 2003, from the total number of Montenegrin citizens abroad, over 57% were individuals who left the country after 1991.

During the 1990s, in addition to the traditional receiving countries (USA, Germany, Switzerland), other destination countries have emerged both European and non-European (Table 5). At the same time, the importance of the USA which were the number one destination for Montenegrin citizens among foreign countries, diminished as shown by the evolution of the proportion of Montenegrin citizens residing or working in the USA in the total number of residing or working individuals abroad (from 53% in 1991 to 36% in 2003). In Germany, which was the second most important receiving country of Montenegrin migration in 1991, the number of Montenegrin citizens magnified 2.5 times, which resulted in an increase of its share in the overall number of Montenegrin citizens abroad, from 20% to 22% over the 1991-2003 period (MONSTAT, 2008). Therefore, the most important destination countries for Montenegrin citizens abroad, according to census data for 2003, were the USA, Germany, Switzerland, Luxembourg, Sweden, France and Italy. Indeed three-quarters of the total number of Montenegrin citizens working or staying abroad are located in these countries (Table 12).

According to German immigration statistics in 2011, the registered stock of Serbia's emigrants was 15,212 (Table 11). However, it should also be recalled that a large number of immigrants originating from Montenegro in Germany is still counted within the group called of immigrants from the State Union of Serbia and Montenegro. Thus, the number of migrants born in Montenegro who live and work in Germany is much higher.

Generally speaking, emigration of Montenegrin citizens outside former Yugoslavia was of two types: (1) regular (permanent) migration, first of all to overseas countries, mainly for highly skilled migrants and for the purpose of family reunification; (2) temporary migration (both regular and irregular) to the European countries for employment purposes. Circular migration

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<sup>9</sup> Measured as population in the country and abroad.



in the case of Montenegro is relatively weak, but in the last couple of years it has become more evident throughout stronger immigration processes to country.

According to the estimates provided by the Government of Montenegro<sup>10</sup>, the number of expatriates and migrants from Montenegro worldwide is about 200,000, which is consistent with the estimated size of the Montenegrin Diaspora as estimated by the IOM (Table 12). According to the censuses of the main emigration destination countries and other records, almost one third of ethnic Montenegrins live in the Diaspora. As regards the geographical distribution of the Montenegrin Diaspora, Serbia is indicated as the most important European host country with over 69,000 Montenegrins (Table 12) (IOM, 2007). This number, for sure, would be larger if it would take into account Montenegrins by ancestry. Over 26,000 Montenegrins lived in Germany and 25,000 in Switzerland in 2006 (Kupiszewski et al., 2009).

The increase of Montenegrin citizens working abroad has mainly been determined by push factors. They affected Montenegrins much stronger than pull factors (immigration policy and measures in destination countries).

Concerning future emigration from Montenegro, the results of an IOM research show weaker migration intentions of Montenegrin people than in other Balkan states (Table 9) with 67.9% of survey respondents indicating no serious migration intentions.<sup>11</sup> (Kupiszewski et al., 2009: 146).

## **2.2. Main internal migration trends<sup>12</sup>**

Spatial development so far has not developed in accordance with the paradigm of sustainable development, which is reflected in socio-economic development and in the development of the environment and natural resources. In addition to the rapid economic recovery, after 2000 Montenegro continued to exhibit significant regional differences in the degree of development, which were manifested in an underdeveloped Northern region as compared to the more developed Central and Southern regions (see Chapter 4 for more details).

Internal migration of the population in Montenegro was very intense in the last two decades:

According to the census of 2003, 62% of the population lived in urban areas<sup>13</sup>, and 38% in other areas (MONSTAT 2005: 8). From a total of 620,145 inhabitants of Montenegro, 257,737 or 40.8% were born in another place. Of the total immigrating population of Montenegro, 36.6% came from the same municipality, 35.5% from other municipalities in Montenegro (both groups belong to the internal movement), 13.1% from Serbia, 12.6% from other republics of former Yugoslavia and 1.5% from other countries. Internal migration in Montenegro is mainly characterised by migration from rural to urban places. There is also a tendency of internal migration from the Northern to the Central and Southern regions of the country which has continued after 2003. All municipalities in these last two regions have a positive net migration rate. In addition, these migration patterns have continued the trend of population ageing (Table 16).

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<sup>10</sup> MARRI (2006): Questionnaire on Diaspora, response by Government of Montenegro, available at: <http://www.marri-rc.org/>.

<sup>11</sup> The survey was conducted in all Western Balkan countries on a nationally representative adult population aged 18-65 in early 2009. Answering the question „Have you ever seriously considered migrating abroad for more than three months?“, 67.9% of respondents from Montenegro answered: „No, I never seriously considered going abroad“. This percentage is larger than for other countries in the Western Balkans.

<sup>12</sup> Analysis is based on 2003 census data as data from census 2011 were not yet available during the preparation of the study

<sup>13</sup> In the 1981 and 1991 Censuses, the so-called legal criterion has been applied for classification of settlements by their type. The urban settlements were established by decisions of municipal assemblies. In this way, 38 urban settlements in the 1981 Census and 41 in the 1991 Census were defined as such for the 2003 Census, 41 urban settlements were defined within the territory of Montenegro.

The main reasons for internal migration are better conditions for business and life. In fact, towns and other urban places in Montenegro are the main centres of economic and social development. Internal migrants settle to urban regions in search for employment, particularly in the tourism and constructing sectors. As a result of internal migration, the share of the urban in the total population of Montenegro has increased from 54% in 1991 period to 62% in 2003. However, the quality of life of this segment of the population is adversely affected by numerous problems of urban development. Uncontrolled and unplanned expansion of urban settlements and non-compliance with sustainable construction standards had a negative impact on the space and environmental quality in general. All these issues share the same root: planner and governing bodies have not managed to control and channel the process of excessive and rapid urbanization, which has led to unsustainable use of space on one hand and decrease of the level of urbanism and quality of life on the other.

### **2.3. Main characteristics of migrants<sup>14</sup>**

According to results of the 2003 census (family member records), 53,433 citizens of Montenegro were living abroad. A majority of them (63.9%) were of younger ages (26.1% were under 19 years old, 37.8% from 20 to 39 years old) while 19.9% of them were 40 to 64 years of age and 1.9% were 65 and older. The results also showed that for 14.3% of this population abroad, the age was not known.

Unfortunately, data on the gender structure of the Montenegrin population abroad is not available but statistics from Germany as a main destination country gives some insight into this issue (see below).

Over 57% of Montenegrin citizens abroad emigrated between 1991 and 2003. Over the same period the largest number of highly educated people moved abroad. The census 2003 data provides some information about the **educational attainment** of the Montenegrin population abroad (Table 5). From the total number of Montenegrin citizens abroad, 42,099 persons were of age 15 and over. Out of them, about 6.2% (2,605) had a university education<sup>15</sup>. Over half of Montenegrin citizens with a university degree abroad (50.9%) lived and worked in European countries, and 43.5% were in non-European countries<sup>16</sup>. However, the U.S. have absorbed the largest number of these migrants, to be more precisely, about one-third (32.6%) of highly educated migrants from Montenegro, while Germany has attracted 10.9%, Canada 5.1%, and the United Kingdom 4.1% (MONSTAT, 2007: 46) of them. The relevant indicators by countries however also show that the dispersion of migrants by educational attainment varies a lot according to the destination countries: In Great Britain the ratio of migrants with university education among the Montenegrin population there is high (29.7%), this is also true for Canada (23.4%); the shares are much lower in other countries like Australia (8.8%), France (7.9%), Italy (7.6%), U.S. (5.7%), Sweden (5.2%) or even Germany (3.12%), one of the main destinations .

According to German immigration statistics (Statistisches Bundesamt, 2011), characteristics of emigrants from Montenegro in Germany show a predominantly (52.8%) male population, the average age being 34.7 years (for men 35.8 and for women 33.5 years)<sup>17</sup>. The figures show a rather balanced distribution between married (47.5%) and single (41.6%) migrants. Interestingly, 25% of Montenegrins in the country were born in Germany. The average duration of stay in Germany was quite long (18.7 years) being a bit longer for men (19.9

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<sup>14</sup> Analysis is based on 2003 census data as data from census 2011 were not yet available during the preparation of the study.

<sup>15</sup> According to the Census 2011, 17% of Montenegrin population finished higher education.

<sup>16</sup> For 5.6% of the total number of Montenegrin citizens with a university degree abroad, it was not known in which the countries they were.

<sup>17</sup> Data for 2010.

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years) than for women (17.4 years). The majority of Montenegrins in Germany (71.5%) was concentrated in four federal states (*Länder*) of Germany<sup>18</sup>.

Foreign data on migrant stocks from Serbia and Montenegro in the U.S. provide some information on the profile of migrants which has not substantially changed for a long period of time. Since the beginning of the nineties (legal) emigration from Serbia and Montenegro to the U.S. was at a rather constant level with some exceptions for the peak years 2000-2002 and 2004-2006 (Table 10). For example, in fiscal year 2009 3,166 persons from Serbia and Montenegro obtained legal permanent resident status in the U.S. (U.S. Department of Homeland Security, 2009, Yearbook of Immigration Statistics, Washington, D.C.: 14). About two-thirds (or 67.6%) of the total number were in the age group 18 to 44 years old and 303 persons (or 9.6%) were younger than 18 years (U.S. Department of Homeland Security, 2009, Yearbook of Immigration Statistics, Washington, D.C.). A large majority of them (over two-thirds or 69.3%) were married, and almost one quarter (or 24.2%) was single. It should be noted that 11.3% (in 2008 even 13.3%) were in a group of professionals (management, professional, and related occupations) (U.S. Department of Homeland Security, 2009, Yearbook of Immigration Statistics, Washington, D.C.).

Looking at the **areas of origin** of Montenegrin migrants a very distinct picture emerges (Table 7): the largest number of Montenegrin citizens abroad moved out of the Northern region of Montenegro (MONSTAT, 2008) as indicated by the proportion of migrants abroad originating from this region which is the highest; it has also seen the most drastic increase in the period between 1981 and 2003. The numbers of Montenegrins abroad coming from the Northern region was about 4 times higher in 2003 than it was in 1981 (or 1991). About half of all Montenegrin citizens abroad in 2003 were from the Northern region. Migrants from this region accounted for 12.5% of the total population of the region, as compared to only 3.4% ten years earlier (1991). In the other two regions of Montenegro there was also an increase of the number of people working and living abroad, but it was much more moderate than in the Northern region.

A look at data available for the municipal level also provides some valuable information (Table 15) as regards both the areas of origin and the **ethnic composition** of the migrant population from Montenegro: a vast majority of migrants abroad who are of Montenegrin origin come from the Central region of the country while the ethnic composition of migrants originating from the Northern and Southern region is much more varied. Important proportions of the population abroad are of Albanian, Bosnian and Muslim ethnic background; they originate from communities with a majority of the population of Bosnian and/or Muslim background (like Plav, Rožaje, Bijelo Polje in the Northern region), or where the population is mostly of Albanian origin (Ulcinj, in the Southern region) (MONSTAT, 2008: 46). According to the census 2003, the population of these three nationalities represented 16.8% of the total population of Montenegro (as defined by the census of 2003), while at the same time their share among Montenegrin citizens abroad was four times higher and reached 67.3% (MONSTAT, 2008: 45). Among Montenegrin citizens who work and live abroad, were also those who declared themselves as Serbs. They came mainly from the municipalities of Andrejevica (69.6% declared as Serbs), Pljevlja (54.1%), Pluzine (60.5%) and Zabljak (50.3%) located in the Northern region and Herceg Novi (52.9%) in the Southern region.

The explanation for the ethnic “coloration” of external migration of the population should be sought in the specific circumstances of the nineties which were dominated by the disintegration of the SFRY, wars in former Yugoslavia and corresponding population movements. However, the economic aspect should not be neglected either, as well as the fact that for the individual it is much easier to decide to leave Montenegro and go abroad if established networks of kinship, friendship and hometown connections already exists.

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<sup>18</sup> These four *Länder* being: North Rhine-Westphalia (28.4%), Baden-Wuerttemberg (16.3%), Lower Saxony (14.1%) and Bavaria (12.7%).

### **3. National wide labour market and social development trends under the influence of emigration**

#### **3.1. Economic and labour market developments<sup>19</sup>**

It is very difficult to extrapolate the impacts of emigration on the economic and labour market developments in Montenegro, as these might have been caused by a number of different factors, among others emigration. However, some few characteristics of the Montenegrin demographic picture and the labour market situation may be more significantly connected with emigration trends.

Two main trends may be observed in the **demographic composition** of the Montenegrin population since World War II: an ageing of the population and a decreasing share of females. However, the period between the 1991 and 2003 censuses is characterized by a much more significant ageing and, in opposition to the previous period, an increasing share of the female population. Changes during this period were primarily the result of the demographic trends, above all a decrease in fertility. However, migration also had significant impacts on the age and gender structure of the population.

Emigrants from Montenegro, during the nineties, were mainly either young (age 16 to 20) or middle-aged (age 20 to 38), similar as during the migration wave of the 60s. The age structure among the immigrant population (mainly refugees from other former Yugoslav republic who entered the country during the 1990s) was similar to the age structure of the total Montenegrin population, but the participation of young and children in this immigrant population was significantly lower than in the domicile population (17.7% compared to 21.2% according to 2003 census data). Due to this, population ageing, already present during the whole 20<sup>th</sup> century, was accelerated in the period from 1991 to 2003. In addition, migrations had an impact on the harmonisation of ageing between the regions. Indeed, the Southern region was a region with significant ageing in comparison to the rest of the country before the last decade. However, according to data from the 2003 census a balancing of the age structure between the regions was achieved. More precisely, the share of the old population (age 65+) increased in the Southern region from 8% in 1991 to 12.8% in 2003, in the Central region from 8% to 11% , and in the Northern region from 9% to 11.1%, while the share of young people (aged 0-14) in the same period decreased in the Southern region from 26.6% to 21.8% (in the Central region from 26.5% to 25.2% and in the Northern region from 24.3% to 19.4%)(MONSTAT, 2008).

According to the 2003 census the share of women in the Montenegrin population was 50.8% while this share was 52.8% in 1948. In the period from 1948 to 1992 the share of females in the total population decreased, while in the period from 1991 to 2003 the opposite trend can be observed (increase from 49.3% to 50.8%). This is a consequence of the higher share of males in the emigrant population combined to a higher proportion of females in the immigrant population. Females also build a majority in internal migrations (62% according to the 2003 census). The number of females in the total population is higher than the number of males in all Montenegrin regions whereby the highest masculinity rate is to be found in the Northern region (994 men per 1,000 women). This gender imbalance is mainly the result of the negative migration trends as well as of a low inflow of immigrants in the Northern region during the 1990s (MONSTAT, 2008).

Although, there have been improvements, the Montenegrin **labour market** still suffers from several important problems, among which the most significant are long-term unemployment, high unemployment of women, high unemployment of Roma and IDPs, and significant mismatch between demand and supply. Emigration had some influence on the unemployment of women, while especially incoming migration from Kosovo\* has impacted the (high) unemployment situation of Roma and IDPs. However, the issue of the mismatch between supply and demand is a crucial one for the Montenegrin labour market and might have been further influenced by emigration.

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<sup>19</sup> Analysis is based on 2003 census data as data from census 2011 were not yet available during the preparation of the study.

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According to data from the employment agency of Montenegro, the most important unfilled vacancies are to be found among the following professions: waiters, nurses and doctors in medicine, engineers in electrical engineering, engineers in civil engineering, economists, teachers for early school grades and foreign languages teachers. Main sectors which experience labour shortages are the construction, tourism and catering, agriculture and trade sector.<sup>20</sup>

It is evident that labour market shortages are primary a result of the transformation of the economy and its structure, an educational system which is still not synchronised with the needs of the labour market, the traditional reluctance of the domicile population to accept specific vocations and the poor mobility of the domicile workforce. Due to the lack of data and information about educational and occupational characteristics of emigrants, it is rather difficult to evidence that some of those shortages are influenced by migration trends. However, according to interviews conducted<sup>21</sup> in the frame of this study, it seems that Montenegrin emigration may be divided in two groups: a first group of highly educated population and a second group of low educated population. Highly educated Montenegrins who emigrated abroad are mainly to be found among engineers, doctors, professors, assistant professors etc., while low educated persons are mainly working in the sectors such as construction, tourism and catering and housing maintenance (especially those who emigrated to the USA are mainly low educated). Considering this it may be concluded that those people would present addition to the labour force in Montenegro, in mentioned sectors. However, interviewed persons expressed doubts that people who work abroad as low skilled workers would perform the same jobs in Montenegro because of traditionally negative attitudes towards low skilled work.

As a consequence of shortages for particular professions and sectors, a significant inflow of seasonal, mainly low skilled workers was evident in Montenegro during the last ten years. According to data from the national employment agency, these numbers reached 30,839 seasonal workers in 2006 and 48,306 in 2007, dropping to 17,108 seasonal workers in 2009 when the country was hit by the global crisis. The peak in seasonal employment seems to have been reached in 2008 with 64,150 workers. The majority of seasonal workers originate from other Western Balkan countries like Serbia (42%), Bosnia and Herzegovina (27%) and Macedonia (23%). They have been working mainly in those sectors which have been experiencing labour shortages, i.e. tourism and catering (29%), construction (28%), and agriculture (7%)<sup>22</sup>. One of the characteristics of Montenegro is a significant number of people (according to some estimates, around 6,000<sup>23</sup>), especially from costal municipalities who work on foreign ships as mariners several months during the year. Despite the fact that the number of mariners needed by the currently operating maritime companies has decreased<sup>24</sup>, the Maritime Secondary School (established in 1848) and the Faculty of Maritime Studies (established in 1959) still educate a number of approximately 120 people each year<sup>25</sup> who cannot find a job in Montenegro and who sail on foreign ships (mainly from Italian, and other foreign companies). The money earned by these mariners is significant, and is usually brought back to Montenegro in cash. There are no estimates on the amount of these funds, but some of the mariners

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<sup>20</sup> According to a study of the World Economic Forum, Montenegro ranked on the 55th place of 139 countries in the world for which analysis was available, as measured by an indicator of brain drain (World Economic Forum, 2010: 245). The ranking of Montenegro in 2010 were based on responses to the following questions: "Does your country retain and attract talented people?" and „Are there many opportunities for talented people within the country?"

<sup>21</sup> Interviewees were representatives of the Montenegro Diaspora Centre.

<sup>22</sup> According to the data from the Employment Agency of Montenegro.

<sup>23</sup> See: ISSP, 2008.

<sup>24</sup> At one time, Montenegro had one big state maritime company, which was however economically devastated during the 1990s due to the sanctions and bad economic situation of the country; the company is currently in a situation of bankruptcy and does not possess ships anymore. Today, four other shipping companies operate in Montenegro, one being completely private and the other three in the (co-)ownership of the Montenegrin Government. Only one of these companies holds a big overseas ship, while the other three possess several smaller ships.

<sup>25</sup> 100 pupils finish the maritime secondary school each year and in average 20 terminate the maritime faculty.

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interviewed for the purpose of this report <sup>26</sup> stated that monthly salaries range between EUR 2,000 and 7,000, depending on the position on the ship.

According to data of the Central Bank of Montenegro (CBM)<sup>27</sup> available as from the year 2000, remittances present a high inflow of money and a significant contribution to the Montenegrin economic development. According to the methodology of the CBM, remittances represent the sum of compensation of employees and workers' remittances<sup>28</sup>. The volume of the compensation to employees is much more important than the volume of workers' remittances, however with a permanent rising trend for the latter since 2002. Remittances as a share in GDP during the period 2000-2010 have varied between 4% of GDP in 2002 (the lowest level recorded during the observed period) and 11.7% in 2005 which was the highest level recorded. According to preliminary data of the CBM, the total amount of remittance inflows from abroad to Montenegro was EUR 227.1 million in 2010 (7.5% of GDP), out of which EUR 158.9 million as compensation of employees, EUR 38.8 million as workers' remittances and EUR 28.7 million as inflows from rents and pensions acquired overseas. In addition, during 2010, EUR 54.3 million were transferred to Montenegro in the form of aid, gifts, inheritances, etc. These flows also represent an additional income for consumption for the population in Montenegro. Additionally, there are transfers that migrants bring to Montenegro in cash, or which are possibly sent through bus drivers, pilots, etc., which cannot be recorded by the Central Bank. According to a report of the World Bank (World Bank, 2006), remittances that are transferred through illegal channels, if registered, would increase official remittances figures for at least 50%, in almost all development countries.

According to the report on migration of the Gallup Balkan Monitor 2009<sup>29</sup> (GBM, 2009) the amounts sent back by Western Balkan migrants are significant. According to this survey, 44% of the surveyed households in Montenegro stated that members of their family who work or study in other countries directly or indirectly support their family financially. The average monthly amount sent home to households in Montenegro is about EUR 200, while the total amount needed by households to make ends meet is EUR 750. It is therefore evident that remittances represent a very important contribution to the households' income. Remittances are mainly used for personal consumption, unproductive investments (dwellings, cars ...) and savings, be it as a deposit in the domestic banking sector or in cash form (under "the mattresses"). The Gallup Balkan Monitor 2009 research has shown that received remittances are mainly used to finance consumption of the family and the costs of maintaining the family property of Montenegrin citizens, who sent this money from abroad, as well as to supplement household income. Conducted interviews<sup>30</sup> also confirmed that most of the emigrants support their family members by sending money through legal bank channels. However, a significant amount of money is also transferred in cash, during visits to Montenegro, mainly during the summer season. The Gallup Balkan Monitor survey also showed that family members who are abroad support their family members not only by sending money (90%) but also by sending goods that can be used by the family (73%), and by exploring business opportunities (12%).

The financial crisis also affected the inflow of remittances. According to the Gallup Balkan Monitor Survey 2010 (GBM, 2010)<sup>31</sup> a decline in the number of Western Balkan migrants being able to help their family or friends at home has been recorded. This survey showed that fewer Montenegrin residents could count on friends and relatives who were living abroad (31%, minus 7 percentage points in comparison with 2009), but that despite this, Montenegrin households did

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<sup>26</sup> Interviews conducted with a number of people who sail on foreign ships and wanted to remain anonymous.

<sup>27</sup> Data received from the Central Bank of Montenegro on request for the purpose of this study.

<sup>28</sup> Compensation of employees – transfers from citizens living abroad less than half a year. Workers' remittances are transfers from citizens who are employed or intend to remain employed for more than half a year in another economy in which they are considered residents.

<sup>29</sup> See: „2009 Focus on Migration“ of the Gallup Balkan Monitor, [http://www.balkan-monitor.eu/files/090626\\_Gallup\\_Balkan\\_Monitor-Focus\\_On\\_Migration.pdf](http://www.balkan-monitor.eu/files/090626_Gallup_Balkan_Monitor-Focus_On_Migration.pdf)

<sup>30</sup> Interviewees were representatives of the Montenegro Diaspora Centre.

<sup>31</sup> Gallup Balkan Monitor, Insights and Preceptions: Voices of Balkans, Summary of Findings 2010, <http://www.balkan-monitor.eu/index.php/reports>.

receive more money from abroad than they did in the previous year (plus 3 points to 12% in 2009). This positive development in the actual transfer of money/goods was unique among Western Balkan countries.

### **3.2. Social security**

Bilateral agreements on social security with 22 countries that were signed by former Yugoslavia or the State Union of Serbia and Montenegro, were taken over by Montenegro, based on the succession decision and in accordance with the Decision of the Montenegrin Parliament from June 3<sup>rd</sup> 2006, on the Montenegrin independence. Many of the countries concerned are EU countries. Some of these agreements are in the process of being renewed.<sup>32</sup>

All mentioned bilateral agreements, on the basis of reciprocity, provide social security rights to Montenegrin citizens working and residing in one of the contracting countries in the field of health insurance, health protection and maternity, pension and invalidity insurance (old age, invalidity, death), compensation in the case of accidents at work and diseases, unemployment benefits and child benefits.<sup>33</sup> According to all those bilateral agreements all pensions, reimbursements for funeral expenses, child allowances and health insurance benefits (in cash or in kind) are exportable. However, unemployment cash benefits and social assistance benefits are not exported. Periods of insurance completed in a foreign contracting country are also taken into account, provided that they do not overlap<sup>34</sup>. If the total period of insurance completed under the legislation of a contracting country is shorter than 12 months, the benefit shall not be granted, except when, according to the legislation of these countries, there exists a right to the benefit based exclusively on this period of insurance.

According to latest data from the Montenegrin Pension Fund, there are currently 5,404 recipients of pension benefits who reside abroad, out of which 2,304 (or 45.9%) are located in Serbia, 26.5% in Bosnia and Herzegovina and 21.6% in Croatia. The total annual amount of those pensions was around EUR 7 million in 2010.<sup>35</sup> On the other hand, the total number of pensioners in Montenegro who received compensation from Serbia in 2010 was 4,028, from Bosnia and Herzegovina 3,847 and from Croatia 2,456.<sup>36</sup> The main problem in the application of bilateral agreements related to pensions is the slow exchange of data between the contracting countries, which leads to delays in the start of the pension payments.

Sickness benefits in cash, provided that incapability for work has occurred abroad, as well as health benefits in kind are also exportable from or to already mentioned countries such as Serbia, Bosnia and Herzegovina and Croatia. Periods of insurance completed in a contracting country are also taken into account, provided that they do not coincide. With respect to sickness and maternity daily cash allowances, the aggregation of periods shall be effected only if the

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<sup>32</sup> Austria, Belgium, Bulgaria, Czech Republic, Slovakia, France, Italy, the Netherlands, Norway, Germany, Poland, Sweden, Switzerland, United Kingdom, Denmark, Libyan Dzhahiri, Romania, Panama, Macedonia, Croatia, Bosnia and Herzegovina, Turkey and Slovenia. Negotiations with the former Yugoslav Republic of Macedonia, Switzerland and Austria are finalised and it is expected that agreements will be signed very soon. Since the independence of 03 June 2006, Montenegro also signed bilateral agreements on social security with Serbia, Luxembourg and Hungary. These agreements are in line with European legislation. In the process of signing (renewed) are agreements with Belgium, Slovenia, and Turkey. Initiatives for the negotiations and conclusion of (new) agreements have been initiated with Greece, Bulgaria, France and Ukraine.

<sup>33</sup> Institutions competent for the enforcement of bilateral social security agreements are: the Pension Fund (pension and disability insurance), the Health Insurance Fund (health insurance and health care), the Employment Service of Montenegro (unemployment) and the Ministry of labour and Social Welfare (child benefits).

<sup>34</sup> Entitlement conditions for an old-age pension in Montenegro are: age of 67 and at least 15 years of pensionable periods or 40 years of insurance periods and minimum 55 years of age. Persons shall also become entitled to an old-age pension upon reaching 30 years of insurance service, with a minimum of 20 years working effectively in positions (i.e. in the mining sector) for which the insurance service period is calculated at an accelerated rate.

<sup>35</sup> Source: Pension Fund of Montenegro.

<sup>36</sup> Source: Pension Funds of Serbia, Bosnia and Herzegovina and Croatia.

person concerned is insured in the territory of the contracting country under whose legislation the application has been filed.

As a rule, unemployment cash benefits and social assistance benefits are not exported. As regards the unemployment cash benefit, the law prescribes that if the unemployed person is outside of the country due to the fact that his/her spouse is posted abroad within international technical, educational or cultural cooperation or to a diplomatic mission or consular post, rights and obligations from this insurance scheme rest.

### **3.3. Poverty and social exclusion**

According to the 2008 data for the value of human development index (HDI) Montenegro belongs to the group of countries with a high level of HDI (higher than 0.8-0.828) (Table 25). The most significant drop in the HDI was recorded between 1991 and 1999, due to the political crisis, war and sanctions. Since 1999, the value of the HDI has been constantly increasing primarily due to the increase of GDP.

Most recent data on poverty for 2008 (ISSP/UNDP, 2009) shows that out of the total population in Montenegro, 10.8% was living below the poverty line (Table 26). The biggest share of population living below the poverty line<sup>37</sup> is from the Northern region of Montenegro (19.2%), followed by the population of the Central region (6.7%), while the lowest proportion of population living below the poverty line is located in the Southern (coastal) region (5.5%). The highest poverty rates are to be found among the Roma, Ashkali and Egyptian (RAE) population (36%) and among displaced persons (34%). Also 15.7% of pensioners, 11.9% of persons with disabilities and 12.3% of long-term unemployed persons, have been living below the poverty line (Table 27).

According to this analysis 28% of the Montenegrin population is considered as economically vulnerable and lives below the 150% of the poverty threshold. Again, this percentage is most significant in the Northern region, where 44.4% of citizens are economically vulnerable. According to the same source, social exclusion is concentrated among certain vulnerable groups of the population, especially among the RAE population (14.1%) and social welfare recipients (11.9%). Displaced persons also have a high value of the social exclusion index (8.3%).<sup>38</sup>

According to the Leaken indicators for Montenegro for 2008 (Table 19), groups that are the most at risk of poverty are children, older people and females. Further, groups that are particularly vulnerable to poverty and social exclusion are social welfare beneficiaries, long-term unemployed, pensioners with minimum income, people with disabilities, the RAE population as well as displaced persons. The Leaken indicators also show that 25% of young people (population from 0 to 17 years old) and 27.3% of older people (older than 65 years) have an average income lower than 60% of average national income.

Raising the poverty line by 20% would increase the share of population living below the poverty line to 17.1% and would primarily affect already mentioned population groups. In a regional context an increase of the poverty threshold would most significantly affect the population of the Northern region which is very vulnerable to any income shocks.

The Human Development Report (HDR) for 2004 (ISSP/UNDP, 2005) shows that in the household income composition remittances (from relatives in the country or abroad) make up 19.3% of the household's income. This share of remittances in income is particularly high in the Northern and Southern region, 23.3% and 25.6 % respectively. Data from the 2006 household survey shows that households whose household head was born outside of Montenegro had lower poverty rates (under 4%) than those whose head was born in Montenegro (11%), although

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<sup>37</sup> Threshold level is at EUR 162.00 per month.

<sup>38</sup> In order to be considered socially excluded, respondents to the survey had to be deprived in the following three dimensions: economic (income per household member is below 60% of median), labour (the unemployed), and socio-cultural (absence of social participation or tertiary sociability, e.g. non-involvement in voluntary, humanitarian, religious, political organisations or activities).



there are few households in the first category (8% of all households). Thus, it may be concluded that remittances have a significant impact on the households' income, and that the share of the poor population would be higher without this income source, especially in the Northern region of the country.

#### **4. Labour market and social development trends in net migration loss/gain regions**

##### **4.1. Identification of net migration loss/gain regions**

As it has already been said, Montenegro is characterised by significant regional differences in the level of development, which divides the country into an underdeveloped mountainous and mostly rural Northern region and more developed Central and Southern regions on the other side.<sup>39</sup> At the same time the Northern region is the region of the country most affected by migration and depopulation. An underdeveloped labour market and the termination of certain enterprises that had belonged to the labour-intensive manufacturing industries in the Northern region have caused the migration of population from the north to the south (and abroad), which has increased the pressure on the infrastructure of parts of the country with an increased influx of population, simultaneously leading to depopulation of municipalities in the Northern region.

As a combined effect of internal and international migration, the population in some of the municipalities of the Northern region declined continuously in the 1991-2003 period (Šavnik lost 19.9% of its total population in 1991; Zabljak – 14.2%; Plužine – 18.2%, Adrijevica – 12%, Plav – 12%; Pljevlja – 8.6%), while the capital city Podgorica and municipalities of the Southern region had a constant influx of inhabitants. In fact, over a long period of time, there has been a tendency to discharge the Northern region, which includes 11 municipalities making up almost 53% of the territory of Montenegro (Ministry of Economic Development, 2008: 53). On the other hand, the Central and Southern regions showed a steady increase of population in all censuses after World War II. The largest outflows of people abroad from 1991 to 2003 occurred from municipalities of the Northern region: In the municipality of Bijelo Polje it was noted that, from 1991 to 2003, the number of people working and living abroad had increased by 714% (Ministry of Economic Development, 2008: 54). A similar trend of emigration during the 1991-2003 period was also recorded in other municipalities of the Northern region (Andrejevića 394.5%, Berane 280.3%, 222.6% Zabljak, Mojkovac 150.9%, 190.9% Pljevlja, Rozaje 542.5% and 320.9% Šavnik). These developments have contributed to a constant and largely negative net migration rate for the whole region (-15.5% as compared to -1.6% at national level for the period 1991-2003). According to Census data for 2003, from a total of persons living and working abroad, 27.291 persons (or 51.07%) alone originated from the Northern region<sup>40</sup>; from the municipalities which feature an above average (over 10%) or a very high proportion (over 20%) of the population abroad, most are located in the Northern region<sup>41</sup>.

There is a significant disparity in incomes between the rural, ex-industrial Northern region of Montenegro and the more prosperous Central and Southern (coastal) regions (USA, 2011). In terms of socio-economic indicators, the depopulating Northern region is characterised by the following:

- It participates in GDP of Montenegro, with only 18%;
- it has a higher unemployment rate than at national average (about 30%);

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<sup>39</sup> For the territorial sub-division of Montenegro, see developments under Chapter 1 as well as Maps 1 and 2 in the Annex.

<sup>40</sup> The Central region participated in the total number of Montenegrin citizens abroad with 22.89% and the Southern region participated with 26.06%.

<sup>41</sup> These are Andrijevica (10.3%), Bijelo Polje (13.5%) and Berane (16.4%), as well as Rozaje (21.5%) and Plav (56.2%).

- it has an almost double poverty rate (10.3%)<sup>42</sup> than the rest of the country;
- transport infrastructure is underdeveloped (Ministry of Economic Development, 2008: 88).

On the other hand, the capacities of the region are significant, especially when it comes to the potential development of agriculture (it has 67% of arable land and 70% livestock) and forestry (71% of wood). The Northern region also has significant potential for the development of different types of tourism (such as village tourism, eco-tourism), as well as some other economic activities that would complement tourism in the Southern Region and contribute to the overall sustainability of the tourism sector (such as production of ecological food, production of wooden furniture for hotels and beaches, etc.).

Within the Strategy for Regional Development of Montenegro until 2014, the Government of Montenegro has defined the requirements for both institutional and systematic support to a more balanced regional development policy, which could partly mitigate the specific problems of the Northern region (see Chapter 6).<sup>43</sup>

The other two regions of Montenegro, which are economically in a much better position, have been increasingly facing specific problems due to rural-urban migrations and rapid urbanisation in last years. These areas are still not overcrowded due to the spreading of urban areas. However, problems may be noted in the education system as well as on the labour market. For example, some schools are unable to accommodate all pupils. It can also be noted that the unemployment rate has been slowly rising in big municipalities, such as Podgorica and Nikisic, which may announce some new trends on these labour markets.

#### **4.2. Labour market development in net migration loss/gain regions**

Migration from the country also impacted the regional labour markets in Montenegro. Due to the outflow of the mostly active population from the Northern region outside the country but also to other regions, the activity and employment rates have kept significantly lower in this part of the country. According to data of the Montenegrin Statistical Office for 2010 the activity rate for people aged 15+ in the Northern region was 40.9%, being much lower than in the Central region (54.4%) and the Southern region (47%), while the national average was 50.1% (MONSTAT, 2010). Data on employment shows a low level of employment in the Northern region (30.1%) as compared to the other parts of Montenegro (Central region: 43.8%; Southern region: 40.4%). Similarly, the unemployment rate is much higher, being at the level of 28.8% in comparison with a significantly lower rate of 19.1% for Montenegro as a whole (10.3% for the Southern region or 18.5% for the Central region) and long-term unemployment shows the same trends (highest in the Northern region with 70.7% compared with 62.90% at national level - 58.10% for the Central region and 40% for the Southern region).

In the Northern region, similarly to the overall country and the other two regions, a majority of the employees work in the service sector. However, the share of agricultural employment is much higher in the North than in other parts of the country: 13.7% of the total number of employees in this region work in the agricultural sector while this share is only 6.5% for the whole country (around 4% in the other regions). When it comes to employment by sector according to gender the situation is similar to the national level, as women largely prevail in the service sector while men are more often employed in industry and agriculture than women. The Northern region takes also an important part in the informal economy of the country as recent statistical data attributes 45.5% of the existing informal sector employment to this region while this share is only 30.6% and 23.8% respectively for the Southern and Central region (MONSTAT, 2010).

Looking at the labour market developments on the municipal level, it is very hard to make any clear conclusions about impact of migration. However, data on unemployment rates for

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<sup>42</sup> 6.6% at national average for 2010, 5.9% for the Central region, 2.6% in the Southern region according to MONSTAT data.

<sup>43</sup> Report of Main Economist of the CBM, available at:  
[http://www.cbcbg.org/eng/slike\\_i\\_fajlovi/fajlovi/fajlovi\\_publicacije/god\\_izv\\_gl\\_ekonom/chief2010/real.pdf](http://www.cbcbg.org/eng/slike_i_fajlovi/fajlovi/fajlovi_publicacije/god_izv_gl_ekonom/chief2010/real.pdf).

municipalities which display an above average and very high proportion of population abroad in the total population, shows that in some cases municipalities with a high share of population abroad have lower rates of unemployment, suggesting that migration might ease the pressure of unemployment. For example, the unemployment rate in the northern municipality of Plav, which is the municipality with the highest share of population abroad, recorded one of the lowest levels of unemployment in 2010 (6.38%).<sup>44</sup> Similarly, municipalities with a high portion of population abroad in the South, like Bar and Ulcinj, recorded unemployment levels of 8.59% and 10.72% respectively in 2010. On the other side, the municipalities of Bijelo Polje and Andrijevica, with a population abroad of 13.5% and 10.3% recorded above average unemployment rates of 19.31% and 15.52% respectively.

Data on the announced vacancies shows that the number of vacancies is very low in municipalities that, in some cases, record highest shares of population abroad (for example 27 in Plužine, 56 in Plav, 50 in Andrijevica etc). However, these figures are more a consequence and an indication of the size of the municipality and its economic activity, than an evidence of a lack of labour for specific occupations. Available data on the number of issued working licenses for foreign workers for 2010<sup>45</sup> shows, that in all previously mentioned Northern municipalities with high shares of people abroad, 1.85% out of all working licenses in Montenegro were issued. On the coast, in the municipality of Bar, 9.87% of total licenses were issued, while this number was 1.90% for Ulcinj. It seems that the significant number of people living abroad decreased the pressure of unemployment in northern municipalities, as the level of economic activity in those municipalities remains very low. Also in municipalities that have some level of economic activity, such as tourism in Ulcinj and Bar, people who live abroad would present a contribution to the labour force, especially during the tourism season. However, as no other data or analysis is available on this issue, it is very hard to make any other conclusion.

It is evident that the Northern region of Montenegro, a region of net migration losses faces much more significant problems on the labour market than the rest of the country. The population in this region is also older<sup>46</sup> and less educated than the population in other regions.

In order to motivate people to stay in their hometowns in the North, the Government established departments of some university faculties (for example the Economic faculty) in some of the municipalities of the region. However, it seems that this attempt neither had any significant impact on the labour market nor on internal migration up to now. The main reason for this is the very bad economic situation in the Northern region, which pushes young people to find jobs in other parts of the country after termination of their education or studies. That is why it should not be expected that situation will change until this region experience significant economic growth.

#### **4.3. Poverty and social exclusion in net migration loss/gain regions**

As unemployment is a major driving force of poverty and social exclusion, it does not surprise that the Northern region also faces biggest problems with poverty. Data on regional imbalances in poverty has already been presented under Chapter 3, but another way to look at poverty is to analyse the share of the household income spent on food (as poor households spend a significant share of their expenditures on food). According to existing data, the share of expenditures spent on food by households declined from 60% in 2002 to 41% in 2008 in Montenegro. However, in the Northern region households tend to spend more (46%) income on food than in the other parts of the country (in Central and Southern region they spent 40.5% and 33.7% respectively). These figures, again confirm the very difficult situation in the Northern region. Similarly, the HDI is lowest for the Northern region. While Montenegro as a whole as well as the other two regions have values of HDI higher than 0.8 (0.828-Montenegro and South region and 0.807 Central region), the Northern region

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<sup>44</sup> National average is 11.55% for 2010 according to the Employment Fund data.

<sup>45</sup> Employment Fund Data.

<sup>46</sup> The average age, according to Census 2003 data in the Northern region was 38.6, while the average age at national level was 37.4.

records an HDI at the level of 0.789. The municipality of Andrijevica has the lowest level of HDI in Montenegro (0.749). Other municipalities identified as net migration loss areas have an HDI level between 0.750 and 8.0. (ISSP/UNDP, 2009).

The major discrepancies between the various HDI components for the Northern region and the rest of the country exist as regards the educational index and the GDP index, indicating clearly that the main determinants of the low HDI in the Northern region are the (low) level of education and per capita income. Data from the UNDP Human Development Report 2009 shows an education index for the Northern region of 0.889 as compared to 0.911 for the Central and 0.904 for the South region (0.920 at national average). Also the GDP index is lower than at national level and in the other two regions<sup>47</sup>, (ISSP/UNDP, 2009). However, the gap between HDI values for the Northern region and the rest of Montenegro has been steadily narrowing since year 2000 which is a very positive trend.

Available analysis of social exclusion<sup>48</sup> shows that the number of socially excluded persons is significantly higher in the North. The Human Development Report data shows that 5.9% of households and 10.2% of individuals may be considered as socially excluded in the Northern region in comparison to 3.5% of households and 9.2% of individuals on national level.<sup>49</sup> Aside from the low income, one of the biggest barriers for people in the North is access to healthcare services. According to data provided in Table 17, the entire Northern region counts 753 health workers and associates in total (which constitutes only 13.9% out of the total number of workers for Montenegro), of which 195 are physicians while there are only 3 dentists. Also, the number of multi-deprived individuals<sup>50</sup> (is very high in the Northern region (around 3.3%) while this percentage in other regions is less than 0.5% (ISSP/UNDP, 2009).

The Northern region of Montenegro is mainly a rural and mountainous region with many dispersed settlements. These are all reasons why the population of the Northern region has limited access to transportation, health services, long-term care and education and due to this experience much more significant problems with poverty and social exclusion.

## **5. Impact of migration on vulnerable groups**

In order to explain the impact of migration on vulnerable groups it is important to present the most common model of migration in Montenegro, which is a consequence of the rather traditional patriarchal mentality of Montenegrin citizens, especially of the Albanian population group in Montenegro. Montenegrins usually migrate when they are between 20 and 30 years. Usually, the male from the family first migrates, leaving his parents, brothers and sisters in Montenegro. If he has a family (wife and children), after few months he invites them to join him in the destination country. If he has no family, he usually comes back on vacation, gets married in Montenegro and moves again to the destination country with his wife. In this case children are usually born in the destination country and the migrant family lives together there. This is why there are almost no cases of migrating parents who have left their children in the country. Similarly, elderly parents of migrants are rarely left alone in Montenegro, as it is rather a tradition, in case one or more children migrate, that one child always stays in the country with the parents. The remaining child usually does not work but takes care of the older parents and maintains their property based on the financial support from the family members who are outside of the country. As a consequence, the phenomenon of children or elderly parents left behind by migrants without any support is almost not present in Montenegro.

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<sup>47</sup> In the Northern region the GDP index is 0.674 in comparison with 0.714 in the Central region, 0.789 in the South region and 0.768 at national average.

<sup>48</sup> Households and individuals that experience low income, inability to meet their obligations (utility, mortgage, etc.) and insufficient access to health care are considered socially excluded.

<sup>49</sup> These shares are 1% and 7.8% for the South region, 3.2% and 9.2% for the Central region.

<sup>50</sup> Those individuals who are unemployed, with less than 8 years of schooling, no longer in education and with insufficient access to health services.

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Aside from the refugees and RAE population, which is largely composed by displaced persons from Kosovo\* (now getting the status of refugees), statistical data and information on the impact of migration of vulnerable groups is completely unavailable. However, since the Northern region - aside being traditionally recognised the key loss region in terms of population migration - is also recognised as the least developed region, the impact of migration on vulnerable groups (apart from RAE and refugees) can be observed from a regional perspective.

### **5.1. Women**

Despite the fact that the female population is traditionally considered as more vulnerable and prone to deprivation and exclusion, survey data for Montenegro indicate otherwise (Table 21). Namely, according to the UNDP Human Development Report 2009 (ISSP/UNDP, 2009) 13% of the male population is considered as socially excluded<sup>51</sup> while only 5.5% of the female population is in the same situation. However, women are more deprived in terms of education (16.5% of females are deprived in education as compared to 12% of males) (ISSP/UNDP, 2008).

The 2010 ETF report on Human Resource Development in Montenegro shows that the gender gap in employment and unemployment is considerable: 52.4% of women (68.4% of men) are economically active; 41.6% of women (56.0% of men) are employed; and 20.6% of women (18.2% of men) are unemployed<sup>52</sup> (ETF, 2010). Women's position of disadvantage in the labour market exists despite their comparable qualification levels. As the report states, these gaps can partly be explained by extensive maternity leave provisions in the labour law (one year of paid maternity leave), the lack of available part-time jobs (only 4.5% of all jobs are part-time) and the lack of childcare facilities in Montenegro. Women also face obstacles when starting a business. They have less access to loans and micro-credit because they lack the required guarantees; only 1% of real estate owners are women (ISSP/EAM, 2007).

The Northern region as traditional emigration area records a higher degree of material deprivation of females as compared to males in terms of employment and education. The deprivation in employment and education is also evidenced through lower female activity and employment rates in the Northern region (MONSTAT, 2010: 5). However, it is important to mention that discrepancies between the Northern and the other two regions of Montenegro are also recorded in the activity rates and employment rates of males. Thus, it seems that the situation of women in the Northern region as compared to the rest of the country is primarily the consequence of the fact that economic activity in the region is low and of the multiple socio-economic difficulties, rather than caused by migration.

In addition, a majority of unmarried young men who migrate come back to Montenegro to get married; for this reason there is no problem of gender imbalance generated by migration and thus the problems faced by an increasing number of young women who cannot find their male partners elsewhere is not relevant for Montenegro. Unfortunately, there is no data on the labour force profile of women who migrated and live abroad, but information gathered through interviews<sup>53</sup> rather suggest that a significant share of these women abroad are mainly housewife who take care after the children and their home.

### **5.2. Children**

There is no data or research available which estimates how many children are left behind or how many children returned with or without parents. As it was mentioned before, all

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<sup>51</sup> Households that experience the following conditions are therefore considered vulnerable: low income (in poverty) - households with equalized incomes below the poverty threshold (60% of the median equalized income of the household); Indebtedness - households facing difficulty meeting obligations, i.e. arrears in utility, mortgage or any other outstanding debt; Insufficient access to health services - those stating that the "distance to the doctor/hospital" is a problem in having access to health service.

<sup>52</sup> Data from the Labour Force Survey 2009, based on the working age population aged 15-64.

<sup>53</sup> Interviewees were representatives of the Montenegro Diaspora Centre.

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interviews conducted<sup>54</sup> suggest that children left behind are not an issue in Montenegro as parents take their children with them when migrate in almost all cases.

As regards returnee children, data from the Census 2003 shows that out of 16,976 individuals who returned to Montenegro in the period 1996-2003, 20.7% (or in absolute terms 3,516) were children below 15 years, while an additional 7.5% (1,284 individuals) were between 15 and 19 years old. Out of those up to 15 years, 78% returned to Montenegro from ex-Yugoslav countries (including Serbia), while only 16.5% returned from other destination countries. In the population from 15 to 19 years, the share of returnees from ex-Yugoslav countries was even higher (90%) while only 6.3% returned from other destination countries.

Among the child population, Roma, IDP and refugee children are certainly the most vulnerable whereby the exclusion of this population is mainly caused by their very bad economic status and a low level of education. RAE, refugees and displaced children have full and free access to education as well as primary health care in Montenegro. The enrolment rate in compulsory education (for age 7-15) of Roma children is only 55% (in this case, no gender difference recorded) compared to 94% for the rest of the population, suggesting where the attention should be paid when it comes to Roma education in Montenegro. The average time Roma children spend in education (for population group from 25-64 years) is only 3.8 years while it is 10.6 years for the non-Roma children. This means that Roma leave education much earlier than the rest of the population with differences observed between males (5 years) and females (2.6 years).<sup>55</sup> The reasons for the low level of school enrolment of Roma are numerous, but the most common are the lack of concern and concrete actions of the state for the education of Roma (and RAE) children, inadequate awareness within the Roma community about the importance of education, widespread poverty and the need for children to start working from an early age.

In general, there is no evidence that out-migration contributes to a higher degree of social exclusion or deprivation of children in traditional emigration areas as compared to the rest of Montenegro.

### **5.3. Elderly**

Out of the total Montenegrin population 12.9% is older than 65 years, according to the newest data from the Census 2011. Around 56% of this population lives in urban areas. For the first time the Census 2011 collected data on the existence of difficulties in performing everyday activities. According to preliminary results, 11% of the Montenegrin population has some difficulties in the performance of everyday activities, and 2% of this population connects these difficulties with their age. The proportion of those who encounter difficulties increases with the age: it concerns up to 40% of the population in the age group of 65-84 years and 61% of the population older than 85 years. Data on the number of single member households are still not available from the 2011 census. However, data from the census 2003 shows that out of 180,517 households in Montenegro 16.3% are single member households, out of which 7% are those whose household members depend on someone's help.<sup>56</sup>

The status of elderly people in terms of poverty and social exclusion can be analysed on the basis of data provided by the UNDP/ISSP survey on social exclusion conducted in 2008. According to this survey, the poverty status of the population aged over 65 years is not different than the poverty situation of the population in general (in 2008 10.6% of the elderly population was considered poor as opposed to 10.8% of the total population). However, regional differences do exist. The Northern region records a higher degree of deprivation in terms of access to health services (53.5% of the elderly population in the Northern region is

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<sup>54</sup> Interviewees were representatives of the Montenegro Diaspora Center, the Ministry of Labour and Social Welfare and of the UNICEF Office in Montenegro.

<sup>55</sup> Profile of the country based on the UNDP/World Bank/EC regional Roma survey 2011.

<sup>56</sup> MONSTAT (2003), Census data.

experiencing difficulties in access to health care as opposed to 24.4% and 22.1% in the Southern and Central region). The National Human Development Report 2009, states that “minimum income pensioners in the north face multiple risks of poverty and social exclusion, but mainly due to the limited health, social and services available there. Often the elderly in the north live within elderly, often single, households in deserted and remote villages. The conditions can become even worse during the winter months when due to heavy snowfall the elderly are sometimes unable to access vital services for quite a while.” (ISSP/UNDP, 2009:49).

Unfortunately, there is no data or research available in Montenegro on elderly who live alone, on which basis the impact of migration on this population group could be analysed. The only known survey (CRNVO, 2007) showed that out of 807 surveyed individuals over 65 years, 20% live alone. However, only for 3.3% of the total surveyed population the main source of income is financial transfers from family members. Surprisingly, the survey showed that materially more vulnerable are those individuals who live in the family rather than those who live alone. But as the authors explain, this is rather a consequence of the definition of material vulnerability<sup>57</sup>. Further, the results of this survey showed that there is no significant difference on the health vulnerability among the individuals who live alone and those who live in the family.

Interviews conducted for the needs of this study lead to the conclusion that internal migration more than external migration, impacts on the elderly population. As explained above, in cases when people migrate outside the country, they usually, leave one of the “middle generation member of the family” to take care of the elderly. This is especially the case within the Albanian population in Montenegro. However, in the case of internal, usually rural to urban migration, older members of the family usually stay alone in villages. These elderly households are more often visited by their family members who migrated to urban settlements, but unfortunately family members are usually not able to support them in income.

#### **5.4. Post-conflict refugees and IDPs**

Montenegro has rather been a destination country for refugees and IDPs rather than a country which has experienced forced emigration. According to the data presented in the UNDP Human Development Report 2009, 16,259 persons from Kosovo\* and 8,023 from Croatia and Bosnia and Herzegovina lived in Montenegro as of 30 April 2009. Most of them arrived in Montenegro after 1990 – one quarter of the refugee population arrived during 1990-1995, before the Dayton Peace Agreement was signed, but the majority of them (56%) arrived during the Kosovo\* conflict (1999-2000) (ISSP/UNDP, 2009).

According to the aforementioned ISSP/UNDP survey on social exclusion conducted in 2008, IDPs and refugees in Montenegro suffer from a higher degree of poverty and social exclusion as compared to the rest of the population, with 31% of the refugee population living below the poverty threshold and 8% of socially excluded households. This survey separates results for three distinct groups: 1. displaced persons from Croatia and Bosnia and Herzegovina, 2. non-RAE displaced persons from Kosovo\* and 3. RAE displaced persons from Kosovo\* (ISSP/UNDP, 2008).

Among those three groups, the RAE displaced persons from Kosovo\* are the most vulnerable. The displaced RAE population from Kosovo\* has an average monthly income per household (an average household has 6.6 members) of EUR 166, which is far lower than for the two other sub-groups from Bosnia and Herzegovina and Croatia (EUR 307) or the displaced non-RAE population from Kosovo\* (EUR 228). The average life satisfaction for all three sub-groups reached 4.46 (on a scale of 1 to 10) while life satisfaction for the RAE population from Kosovo\* was only 1.9. RAE displaced persons from Kosovo\* are also very

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<sup>57</sup> Which is based on the income level, number of square meters of room space per household member, a number of home appliances that household has and the perception of the individual on their material status.



dissatisfied with their jobs (grade 2 on a 1-10 scale), which is the lowest job satisfaction grade in comparison with the two other vulnerable groups (displaced from Croatia and Bosnia and Herzegovina: 4.6; non-RAE from Kosovo\*: 4.9) and the national average of 5.1.

Refugees and displaced persons experience legal barriers in getting employment, having in mind that many of them have an unsolved status and lack documentation. The UNDP survey shows that only 12% of the displaced RAE population from Kosovo\* are employed against 80% of the non-RAE population and 63.3% of the displaced persons from Croatia and Bosnia and Herzegovina.

In terms of healthcare services and access to them refugees are granted the same rights as the domicile population, however according to the ISSP/UNDP survey on social exclusion 2008, in the access to tertiary services (clinical centres and hospitals) refugees experience barriers. According to the survey, 90% of respondents have health insurance, mainly provided by the State system (59%), through a family member (24%), through their employer (9%), or through a private insurance company (3%). However, almost 10% of refugees and displaced persons still do not have insurance, whereby the majority (69%) are not insured because of their unclear legal status.

Access to social assistance is currently limited due to the lack of clear legal status of refugees and IDPs. They are not entitled to social welfare benefits (social assistance and other social benefits) but only to social services provided by Social Welfare Centres. The ISSP/UNDP survey provides evidence of this as 99% of the respondents claimed they do not receive social benefits. Displaced persons from Croatia and Bosnia and Herzegovina graded the quality of social services at 4.7 (on a 1-10 scale), the non-RAE displaced persons from Kosovo\* at 5, and RAE displaced persons from Kosovo\* at 3.9.

This specific situation of refugees and IDPs has been paid greater attention in the last couple of years since the status of refugees is part of the roadmap to EU membership, and it is expected from the government to find solutions during the course of 2012.

## **5.5. Roma**

According to the last Census in 2011 out of the total Montenegrin population 1.01% are Roma (in absolute figures 6,251) and 0.33% are Egyptians (2,054 individuals).<sup>58</sup> Most of this population lives in Podgorica (63% of Roma and 33% of Egyptians), but also Niksic and Berane (in the North). The Roma, Ashkali and Egyptians (RAE) population in Montenegro, similarly to the rest of Europe is strongly affected by social prejudice and negative stereotypes, and therefore more largely exposed to social exclusion, marginalisation and a lack of access to the safety net. The status of the RAE population in Montenegro has been heavily affected by the strong inflows of the RAE population from Kosovo\* and Southern Serbia during the NATO bombing in 1999. It is heavily exposed to poverty since the poverty rate among this population group is at 36% compared with the national average of 10.8%. The social exclusion index among this group is also the highest, 14.1% compared to 3.5% national average (ISSP/UNDP, 2008). It is commonly admitted that there are several major causes for the extreme exposure of the RAE population to poverty and social exclusion which limits their employment opportunities. These include in particular no or low levels of education, high unemployment rates (especially among RAE women) and societal prejudice. Especially the situation of low education of the RAE population is considered a crucial problem, since 65% of RAE are considered to be deprived of education (ISSP/UNDP, 2009).

According to the MONSTAT data in 2008, among the RAE population aged over 15 years of age, 47% was active, while the employment rate amounted 27.3%. Unemployment among RAE was high, amounting to 41.9%. The financial situation of this population group is quite bad: as much as 65% of RAE households experienced difficulties covering their monthly

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<sup>58</sup> Census 2011, First results, MONSTAT, [www.monstat.org](http://www.monstat.org). The Ashkali population is classified in category "Other" as less than 100 people, in total, stated that they ethnicity belong to this group.



expenses, compared to 49% of average Montenegrins in the same situation. The RAE estimated they would need EUR 646 per month to cover all the needs of their household; this is a very modest estimate for the traditionally large RAE families, and is almost half the national estimate (EUR 1,112). RAE households are also largely unable to support their subsistence in other ways, as they do not own agricultural land (99%) or livestock (100%).

In terms of access to health care almost 98% of the RAE population is covered by health insurance, out of which 78% are covered within the state system of health insurance.

Similarly to the refugee population, the undefined status of the majority of the RAE population limits access to social welfare. The UNDP/ISSP survey on social exclusion 2008 indicates that 18.4% of RAE households are beneficiaries of social assistance, while only 1% of individuals are beneficiaries of an old-age pension.

## **6. Policy responses**

### **6.1. Encouragement of circular migration**

Circular migration is only likely to be successful if it meets the needs of all parties: migrant workers, their employers, their families, and governments on both sending and receiving sides. From the point of view of the migrants, the voluntariness of return is a key issue, as is the protection of their (human) rights as workers while they are abroad (Newland, 2007). The largest obstacles for an expansion of circular migration are the deep cynicism of policy-makers and public alike that circular migration proposals can indeed produce circularity as well as the disincentives to return to the home country faced by migrants from very poor countries – particularly, if precarious economic conditions are accompanied by problems of corruption, conflict, and lack of public safety. Migrants are not likely to consider return programmes as being in their interest as long as there is no change in the conditions that propelled them to leave in the first instance (Newland, 2007). This basically means that Montenegro, as a country of origin, can hardly achieve circular migration without the help of the EU states, i.e. major immigration countries. Nevertheless, there have been some attempts in Montenegro at promoting circular migration:

The Register of Montenegro's Diaspora in Podgorica represented an organised way of communication with the Montenegrin Diaspora. As a matter of fact, after several unsuccessful attempts at institutionalising communication with the Diaspora, in the middle of 2002, the Montenegro Diaspora Centre was established as an independent governmental body with the purpose of being the bridge for cooperation of Montenegrin emigrants from all over the world with Montenegro. All established contacts have been entered into a database which was created at the end of 2002. The database is constantly updated, but because of the inherited mistrust in state institutions, it appears difficult to compile accurate information about the number of Montenegrin emigrants abroad (Chindea, 2007).

Presently, the Montenegro Diaspora Centre, which operates within the Ministry of Foreign Affairs of Montenegro, is the main institution coordinating and promoting Diaspora links with their homeland. The Centre helps to organise meetings of emigrants and provides logistical support in the organisation of visits of business, cultural and other delegations from emigrant destination countries to Montenegro. The Centre also organises humanitarian assistance from the Diaspora to Montenegro and solves individual problems of emigrants. Indeed, the latter also have the possibility to make conclusions, suggestions and proposals to state institutions through the Montenegro Diaspora Centre.

A project called "Fund for Diaspora" has also been developed which consists in offering loans to help Diaspora members to start a small or medium-size business. It was planned that the project would be implemented by the Montenegrin Agency for Small and Medium Size Companies. Unfortunately, this idea was never implemented in practice up to now.

Generally speaking, the objective of the Montenegrin state administration is to:

- Promote successful mechanisms to alleviate brain drain;

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- Establish a web site to identify young scientists having left Montenegro in the last 10 to 15 years;
- Create a data base of experts in selected identified disciplines who have left the country and who have expressed interest in contributing to the Montenegrin economy;
- Reduce mass emigration of young intellectuals and maintain an effective two-way communication between young professionals who have left Montenegro and their colleagues who remained in the country
- Develop mechanisms to promote contacts and offer opportunities for short and long-term positions to returning experts as well as for their "virtual presence" and continued contribution to the cultural, scientific and economic life of the country

In December 2010, the Montenegrin Government adopted the Strategy of Cooperation of Montenegro with Diaspora 2011-2014, which main aim is the preservation and strengthening of overall relations between the home country and the Diaspora. A part of the Strategy refers to the cooperation with the Diaspora in the field of science and education, which would mainly be led by the newly established Ministry of Science. Activities planned for the next three years include:

- Creating a database of highly educated Montenegrin professionals abroad, at universities and in scientific research institutions; Involvement of highly educated personnel from the Diaspora into educational and scientific research programmes carried out by home institutions; mutual information on the possibilities of participation in performing of research projects, as well as on the involvement of highly educated personnel from the Diaspora into educational programmes in Montenegro;;
- Creating the conditions for young members of the emigrant population to study at Montenegrin universities, as well as the conditions for the award of scholarships to Montenegrin students, master and PHD students in the receiving countries;
- Creating a database of available foundations and legacies, which have been founded abroad by Montenegrin emigrants for awarding scholarships to Montenegrin students;
- Defining a method and modality of effective transmission of know-how and experiences regarding the opening of small and medium-sized businesses in the area of new technologies, by animating experts and entrepreneurs engaged abroad in this area.

A significant part of the Strategy is also dedicated to the enhancement of economic partnership with the Diaspora. Activities planned include a thorough analysis of the national legislation and strategic documents from the aspect of recognition of investment potentials of the Diaspora, the creation of a business environment for the implementation of investment projects, the promotion of business opportunities for the Diaspora, the analysis of contractual relationships with certain countries, with special emphasis on agreements avoiding double taxation and on protection and promotion of investments, the creation of a database of business people of Montenegrin origin, the organisation of business forums, professional and logistic support to emigrant organisations, etc.

All planned activities have been further developed in details within the Action Plan for Implementation of the Strategy of Cooperation of Montenegro with Diaspora. According to this document, most of the activities are planned to be implemented in 2011 and 2012; this is why there is currently no information available on the effective implementation of the action plan and the results of the implemented activities. The main institution responsible for the implementation of the Strategy is the Montenegro Diaspora Centre, which shall cooperate with other relevant Ministries and non-governmental organisations.

Currently, the database of Montenegrin Diaspora experts who are interested to be involved in scientific activities in Montenegro is in the process of creation. According to the opinion of the Minister for Science, Vlahovic, it is not realistic to expect that these experts will return to Montenegro, having on mind that they have very good conditions for their scientific work abroad. However, this initiative should help Montenegro to motivate these people and

mobilise them in order to exchange knowledge and skills with scientists in Montenegro and through that help contribute to the development of the Montenegrin society.

## **6.2. Encouragement of return migration and support of integration of returnees**

One part of the aforementioned Strategy for Cooperation of Montenegro with Diaspora 2011-2014 refers to the creation of a system of privileges and facilities for returnees. Activities proposed under this system are following:

- Harmonisation of present regulations with EU Regulations, experiences and practice of the countries in the region, which provide returnees from abroad with customs and tax facilities for the import of household equipment, vehicles and equipment for starting small and medium-sized business;
- Simplifying, i.e. reducing the procedural impediments for obtaining personal and travel documents;
- Providing administrative facilities (permits, approvals, certificates, procedures) at local level;
- Establishing a new position within the Employment Agency and the Human Resources Management Authority of Montenegro for personnel with special knowledge and experiences about the labour market in the context of the European and Euro-Atlantic integration process, which could be filled by a person recruited from the Montenegrin Diaspora.

All these measures shall be implemented in the next two years (2011 and 2012) according to the Action Plan for Implementation of the Strategy of Cooperation of Montenegro with Diaspora, and this is why there is no data and information regarding the effective implementation of these activities and their effects for the moment.

The Human Resources Management Authority of Montenegro<sup>59</sup> has started a project whose main aim is to collect data and information about individuals who finished their education or part of their education abroad and who returned to Montenegro. The project is currently on-going and its main objective is to mobilise the intellectual potential in Montenegro and to obtain information for the Strategy for the Development of Human Potential.

Up to now there have been no specific activities aiming at supporting returning children to reintegrate the educational system. However, the Montenegro Diaspora Centre supports the organisation of Montenegrin language schools for children from the Diaspora in different countries. In addition, it has organised five summer schools for language and culture called "Montenegro my home country" until now. These summer schools of 10 days are traditionally organised in Montenegro, and around 60 children from all destination countries attend it. Further, in 2011 the Centre started a project for the publication of text books for additional education abroad. The textbooks cover basics of the Montenegrin language, history, geography and cultural heritage. Special attention is dedicated to the Montenegrin language as a second language. All textbooks are approved by the Council for Education. In order to assist teachers in conducting lectures based on these books the Centre also prepared curricula for different teaching modules. All Diaspora organisations and clubs may get free copies of these books if they are willing to conduct trainings and language schools based on them.

According to the new Law on Recognition of the Education Documents and Equalization of Qualifications, adopted in 2011, documents on finished or started education abroad are subject to a procedure for recognition. This new Law specifies that education documents acquired in ex-Yugoslav republics would be accepted without validation procedure if they

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<sup>59</sup> The main functions i.e. competencies of this state authority are aimed at management and development of human resources in the Montenegrin state administration authorities, as well as the maintenance of a personnel information system for human resources management and development in these authorities.

were acquired before the international recognition of these states. Documents acquired in Serbia are also accepted without procedure if acquired before 25.01.2008. With the new law the procedure for recognition of education documents is shortened from 3 to 2 months.

Procedures for the validation of primary, secondary and vocational education are conducted by the Ministry of Education and Sport. The procedure for validation of qualifications and documentation of higher education for the purpose of employment is conducted by the ENIC<sup>60</sup> centre, established under the supervision of the Ministry for Education and Sport, or by the Ministry on the basis of a report from the ENIC centre if the documentation is validated for the purpose of the continuation of the education process. According to information provided by the ENIC centre, 6,000 diplomas of higher education were validated from 2008 until the end of 2011, and the majority of these diplomas were acquired in Serbia. According to the information of the ENIC centre, there have been no evident problems and complaints regarding this procedure up to now.

### **6.3. Reintegration of IDPs and refugees (incl. forced returnees)**

In 2005 the Government of Montenegro adopted a three-year Strategy for the Solution of the Status of Refugees and IDPs in order to define the optimal status for IDPs and refugees in accordance with international standards and the economic situation in Montenegro. Among the major solutions foreseen for addressing the situation of IDPs and refugees the repatriation and return to Kosovo\* as well as local integration and movement to a third-country were envisaged. The local integration of refugees (people from Bosnia and Herzegovina and Croatia) and IDPs (people from Kosovo\*) was made possible in two ways: by obtaining the Montenegrin citizenship or by obtaining the status of permanent resident. However, IDPs are able to obtain the permanent residence status and the Montenegrin citizenship only after 10 years of effective residence in Montenegro. Normatively there is a third solution for the status of refugees and IDPs, i.e. the status of a refugee according to the Law on Asylum. The Law on Asylum which was adopted in 2005 prescribed that refugees and IDPs who are in Montenegro and for which there is no reason that the status of IDP and refugee should be terminated, would get the status of refugee according to this law. The Ministry of Internal Affairs publicly announced a call for those people to re-register according to the new law, and 5,718 individuals submitted the documents for obtaining this status. According to this law, persons that have the status of asylum refugee were granted following rights: residence, identification document for this status, freedom of movement and free choice of the place of residence, free access to courts and legal help, free practice of confession, free education in public primary and secondary schools, as well as in public universities according to the rules for foreigners, right to employment and social protection coverage, connection with the family members, free accommodation for a period of six months from the day upon receipt of the status of refugee, access to health care, right to acquire property and support for the integration into the society.

With the adoption of the amendments to the Law on Foreigners in 2009, refugees and IDPs were able to obtain the status of foreigner with permanent stay and were granted the same rights as other foreigners with permanent stay in Montenegro, including an ID for foreigners as well as working licenses enabling the access to the labour market. These individuals also got the same employment rights as any other Montenegrin citizen. However, in practice the licensing procedures turned to be too complex and to last too long (up to 6 months). The Montenegrin Government thus adopted a decision according to which refugees and IDPs may be employed without any working licensee until they get the status of foreigner with permanent residence. In terms of education all refugees were granted access to free education and the Ministry of Education has made a lot of efforts to facilitate inclusion into the education system.

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<sup>60</sup> European Network of Information Centres in the European Region.

Refugees have social protection rights, but only for a period of one year from the day of obtainment of the refugee status. They also get monthly or one-term cash support in cases when they do not have the right to use free accommodation. The amount received as monthly support varies from EUR 55 to EUR 104, depending on the number of family members.

The Government of Montenegro also adopted an Action Plan for the Solution of the Status of Internally Displaced Persons from ex-Yugoslav republics and from Kosovo\* in 2009, which prescribes actions, deadlines and obligations for the implementation of specific measures. During the year 2009, a procedure for pre-registration of IDPs was conducted, and 10,950 persons were pre-registered during the whole procedure. The Government of Montenegro has also promoted the building of apartments for IDPs since 1995. Since then, 418 apartment units have been built, mainly through the cooperation of local self-governments and international donors.

As part of the repatriation and return actions to Kosovo\*, the project "Go and See" has been implemented by the Government, the UNHCR and the Danish Commissariat. In the frame of this project, refugees from Kosovo\* were able to travel to Kosovo\* to see in which conditions their homes are and which situation prevailed for access to their rights in the local communities. Currently a process of questioning of IDPs from Kosovo\* is going on in order to find out how many persons would like to return to their homes.

Besides the Action Plan, there is a set of Laws which regulate issues related to the refugee and IDP population groups. Among these laws, the most important are the Law on Montenegrin Citizenship (which prescribes that refugees and IDPs may also get Montenegrin citizenship if they fulfil certain conditions and procedures), the Law on employment and work of foreigners (which prescribes the possibility for refugees and IDPs to get a working license), the Law on Health Protection (which prescribes that the State of Montenegro provides health protection to the persons who have the status of refugees or IDPs ) as well as a set of other sub-regulations which define specific issues concerning those groups.

#### **6.4. Development of net migration loss/gain regions**

In Montenegro there are several strategies which could be connected with the identified net migration loss regions. There are no specific funds aimed at the development of underdeveloped regions in Montenegro, however, ministries and agencies use part of their funds for targeted activities aiming at the improvement of the socio-economic situation of less developed regions or local communities. Some of those regionally focused activities include credit lines for business promotion and start-ups, credits for agricultural production, donations, subsidies and others. For example, the Investment Development Fund supported 146 projects with a total amount of EUR 18.5 million in the period 2007-2009, out of which 71% were allocated to small and medium-sized companies in the Northern region. The Employment Fund of Montenegro supported 2,119 projects of a total value of EUR 12.6 million in the same period, out of which 70% were used for unemployed persons from the Northern region who wanted to start their own business. Besides this, also initiatives by the Ministry for Agriculture and Rural Development can be mentioned which supported agricultural, forestry and fishery projects for a total amount of EUR 43 million. As it may be concluded, a significant amount of money was dedicated to the economic development of less developed areas. However, a lack of synchronisation in the implementation of these measures and unbalanced investments in different regions were one of the main reasons for the inefficiency of the implemented actions.

For this reason the Government of Montenegro finally adopted the Strategy of Regional Development in January 2011. This Strategy is focused on a coordinated approach to the socio-economic development of Montenegrin regions in order to enable a more balanced development of the country and to narrow the gap between the regions. The specific objectives of this Strategy are a more balanced development of all local communities, faster development of underdeveloped local communities as well as regional development in the context of environment protection. The Strategy defines priorities for all three Montenegrin

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regions in all these areas. For the Northern region, as the one which is evidently facing the biggest problems in terms of socio-economic development, the priorities are the development of the human potential, infrastructure development, the development of the business environment, an increase of competitiveness through a sustainable use of economic, rural and cultural resources and the improvement of the system of management of natural resources and environment protection.

The Strategy also contains a list of future activities which include:

- Strengthening of the Department for Development in the Ministry of Economy;
- Development of the Law on Regional Development, which will establish the basic policy of regional development and a methodology for determining the degree of development of the regions and local authorities;
- Preparation and adoption of by-laws that will allow the implementation of the Strategy and of the Law on Regional Development;
- Design and development of an electronic database of development projects;
- Elaboration of a study on types of regions: definition of sectors with potential for development (sectors with the largest share of GDP), define priorities and measures for their further evaluation;
- Connection with a science-research community;
- Preparation of a regional map of clusters and cluster development plan;
- Continued support for capacity building of units of local governments through international assistance projects and systematic action to strengthen human resources.

The Strategy also prescribes a methodology for calculating the index of competitiveness of Montenegrin units of local governments and regions as well as a methodology for the calculation of the development index for Montenegro.

According to information gathered for the purpose of this report, there is still no publicly available report on the activities that were implemented up to now, but it seems that many activities are in the process of implementation, in particular the preparation of Strategic Plans for the Development of local governments in almost all municipalities, the preparation of a map of resources per municipality, the creation of a cluster map and cluster development document and the preparation of specific projects for IPA support.

Other strategies that are also partially related to regional development and thus relevant for the development of the Northern region are the Strategy of Tourism Development until 2020, the National Strategy of Sustainable Development, the Strategy of Energy Development until 2020, the Strategy of the Construction Development until 2020, the Strategy for Development of SMEs until 2015, the Strategy of Development of Information Society until 2013, Montenegro's Agriculture and European Union - Agriculture and Rural Development Strategy until 2012.

Montenegro's Agriculture and Rural Development Strategy proposes the concept of sustainable agriculture as a logical conceptual frame for elaboration of decisions already accepted as regards the country's economic and political development. Its primary objective is to define the multifunctional role of agriculture and the modernisation of the state administration for the purpose of realisation of the strategic commitment of sustainable development and of integration of Montenegro into the international community; further, the European model and conception of agriculture needs to be integrated.

The Strategy is based on three pillars: reforms of agricultural policy, harmonisation of legislation with the requirements of European integration and institutional capacity building. The key element in the reform of the agricultural policy is the gradual building of a system of integrated rural development policy that shall be harmonised with EU principles. The policy is based on the three key areas of rural development: a) increase in competitiveness through various forms of support to agriculture and the processing industry; b) better management of land and environmental resources; c) broader rural development policy which provide the

support (together with other programmes of the Government of Montenegro) for diversification of activities and better living for the rural population.

The Strategy proposes a list of very innovative instruments for Montenegro such as the support to investments in primary agriculture and to the restructuring of the food processing industry, the introduction of standards and improvement in the quality of production and processing of agricultural products, a programme of support to young farmers when taking over households and engaging in agriculture as their basic occupation, the support to the development of less favoured areas, the development of organic food production, the use of mountain pastures programmes, etc. Unfortunately, there is no report on activities implemented up to now within the frame of the strategy and it is thus too early to assess the impact of these measures on the development of agriculture in Montenegro or on overall economic development in the country. However, available statistical data on trends in the agriculture sector as well as issues debated on the occasion of the announced but finally not performed strikes of agricultural producers<sup>61</sup> during the summer 2011, show that not much was achieved until now. This has also been confirmed in the EC Progress Report 2011, which states: "There has been some progress in the area of agriculture and rural development. A basis for accurate agricultural statistics is being established. Progress on policy development and on using the available financial assistance in the field of rural development has been fairly limited" (EC, 2011a): 43).

Besides the programmes and measures initiated by the Government of Montenegro, a number of international donor-funded projects have been implemented which have contributed to the regional development of Montenegro. Among those are international donors like USAID, GTZ, CARITAS, OADP and UNDP. As stated in the Governmental Regional Development Strategy these projects "gave significant contribution to balanced regional development, especially in the area of supporting development of agriculture and improvement of the environment for the production. Programmes realised by UNDP are important as well, and they are also directed towards solving problems of the environment protection and improvement of business environment." (Ministry of Economy (2011): 44)

From the beginning of 2008, Montenegro has had access to the new assistance programme of the EU (the Instrument for Pre-Accession Assistance - IPA) intended for countries that are candidates and potential candidates for EU membership. For the period 2007-2010, the European Commission allocated EUR 131.3 million to Montenegro, which makes it the state with the largest European aid per citizen in the Western Balkan region. Montenegro, like other potential candidates for EU membership, has the right to use the resources from the first two components of the IPA programme (support to the transition and construction of institutions and regional and cross-border cooperation). For the development of the Northern region, cross-border cooperation programmes with Serbia, Bosnia and Herzegovina and Albania are of utmost importance. IPA components III, IV and V (regional development, human resources development and rural development) were made available to Montenegro with achievement of the status of candidate country.

### **6.5. Support to vulnerable groups related to migration**

In Montenegro there are no specific policies or measures aimed at mitigating the negative impact of migration on vulnerable population groups. In November 2003, the Government of Montenegro adopted the Poverty Reduction Strategy Paper (PRS) which envisaged a total of some 400 projects in 11 different areas, of which however only a small number were implemented due to the lack of budgetary support and limited donor assistance. Nevertheless, based on this document, credit arrangements were agreed with the World Bank to support reforms in the areas of education, health, pension system and environmental protection. In 2007 a Poverty Alleviation and Social Inclusion Strategy (2007-2011) was

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<sup>61</sup> The agricultural producers announced that they would block the streets with food that they were not able to sell and which the Government do not want to buyout.

passed by the Government of Montenegro. This document applied a more holistic approach for combating poverty and ensuring social stability through coordinated actions in the educational, health, social welfare and employment sectors.

The Montenegrin authorities are also involved in several international initiatives addressing the situation of the RAE population (and displaced persons). The State is currently participating in the Decade of Roma Inclusion 2005-2015. To formalise the Government's commitment, a National Action Plan for the Decade of Roma Inclusion 2005-2015 in Montenegro and the national Strategy for Improving the Position of the RAE Population in Montenegro 2008-2012 were adopted. Among its most urgent tasks and goals, the fight against all types of discrimination and inequality that affect the RAE population constitutes the first priority. However, in this respect and as regards the displaced persons also, the latest EC Progress Report 2011 about Montenegro states: "Interethnic relations have remained stable in Montenegro. Efforts have been made to improve minority political representation, amending the Law on minority rights to harmonize it with the Constitution. Progress in the economic, social and political inclusion of Roma, Ashkali and Egyptian persons is still rather limited, despite the continuing efforts of the authorities at national and local levels. Limited progress has been achieved in terms of improving the situation of displaced persons, one of the key priorities set out in the Opinion. Despite efforts by the authorities to provide these persons with legal status, the cumbersome procedures mean that only a small number of persons have so far obtained legal resident status." (EC, 2011b: 4).

The Strategy for Social and Child Protection 2008-2012 (Ministry of Health, Labour and Social Welfare, 2007): 13) points out the weaknesses in the system of financing and planning of funds. It recognises that one of its main weakness is that the system is "centralised and all the services are funded from the national budget, except small-scale funds provided by local government for the purpose of one-time allowances." It also states that the "current funds are stable but insufficient for cash allowances, maintaining quality of existing services and development of new ones."

The Strategy for the Development of Social Protection for the Elderly in Montenegro 2008-2012 is the key policy document addressing the situation of the elderly. It identifies the following key issues: inability of the system to meet the needs of all categories of the elderly, and especially the poor and self-supporting, as well as the elderly with disabilities; inadequate and insufficient knowledge about the elderly population's needs and underdevelopment of the institutional system of social welfare.

#### **6.6. Encouragement of best practice examples of policy responses**

Since 2007 Montenegro has become an important labour migration destination, primarily but not exclusively, for migrants from other Western Balkan countries (Kupiszewski, et al., 2009). The inflow of both regular and irregular migrant workers is a response to labour market shortages in Montenegro as a result of the transformation of its economy, which is generating needs for new skills. In this context, returnees and immigrants have been increasingly in the focus of Montenegrin policy. In this respect, Montenegro has focused on the importance and role of education and training in the integration of returnees:

Several projects undertaken by the Montenegrin government and its agencies should be mentioned. A first group of projects concern the involvement of highly educated personnel from the Diaspora into educational and scientific research programmes carried out by home institutions. The cooperation with the Diaspora in the field of science and education is led by the Ministry of Science.

Through the Strategy of Science and Research Activities 2008-2016, the Ministry of Education and Science has provided possibilities for research practice for Montenegrin PhD students at the best European universities. However, upon their return, the Ministry did not provide any mechanisms to reintegrate those people into Montenegrin institutions or to find them an appropriate job (Cimbaljević, 2011: 107). However, in order to decrease the level of



brain drain, the Ministry of Education has solved the housing problem for all PhD students employed at the University of Montenegro by offering them housing facilities<sup>62</sup> (Cimbaljević, 2011: 108).

Montenegro was included into a new common project titled “Migration and Socio-Economic Development in the Western Balkans” (MIDWEB) in February 2011. The project which is funded by the European Commission and managed by IOM Budapest aims at strengthening and increasing the capacity of the existing network of Migrant Service Centres in the Western Balkans in order to ensure efficient dissemination of information about legal channels of migration among potential labour migrants and to provide opportunities for return of skills and human capital and their contribution to the development of the Western Balkans. The IOM branch in The Hague will coordinate the Temporary and Virtual Return component of this project and will facilitate 60 short-term assignments to the six Western Balkan countries. These assignments will be carried out by qualified migrants originating from one of the Western Balkan countries and residing within the EU (Austria, Germany, Italy, the Netherlands, Switzerland and the United Kingdom).

The Migrant Service Centre (MSC) in Podgorica is one of the second group of very important projects. The Migrant Service Centre was founded with support of IOM in order to ensure efficient dissemination of information about legal channels for migration among potential labour migrants and to provide opportunities for return of skills and human capital and is now managed by the State Employment Agency. The Centre has a regional and European importance and therefore deserves special attention. With funding from the European Union, the Migrant Service Centre prevents irregular migration by providing information on legal opportunities to migrate to and return from the EU. The staff of the MSC provides information and counselling services on EU countries free of charge. Up to now the services of the MSC have been used mainly by young urban professionals with tertiary education who have relatively low unemployment experience and no migration experience as well as by older potential migrants with high education and with a migration history.

## **7. Key challenges and policy suggestions**

### **7.1. Key challenges of the social impact of emigration and internal migration**

Out of the three regions in Montenegro (Central, South and Northern) the Northern region has been identified as being a disadvantaged net migration loss region. This is not surprising as this region is mainly mountainous, rural, hardly connected with the rest of the country and with a low level of economic activity. Consequently, the population of the region is older than average, social problems are most present, poverty and social exclusion are highest and the human development is the lowest in comparison with the rest of the country. Thus, one of the main challenges for Montenegro is to promote the socio-economic and human development of the region in order to retain people in this region and decrease social disparities. Besides the challenges faced at regional level Montenegro as a whole is also confronted with a set of other challenges caused by or related to out-migration. These are:

- (a) the phenomenon of population ageing, exacerbated by migration of young people and challenges arising from the need of solving the problems caused by population ageing - the burden imposed on the social security and pension insurance system;
- (b) the difficulties faced in retaining talented young people in the country and the efficient implementation of brain gain programmes;
- (c) the necessity of further integration of the RAE population, IDPs and refugees as the most vulnerable population categories;
- (d) the need for enhancing further cooperation with the Diaspora and

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<sup>62</sup> 134 apartments were provided for PhD students of the University of Montenegro.

(e) the challenge of a better (re)-integration of returnees.

The Montenegrin Government adopted a number of strategic documents related to economic development, social inclusion as well as migration. However, implementation of those strategies is still not fully effective and thus one of the main challenges for the Government will remain to achieve a well-coordinated and effective implementation of adopted strategies and to set public reforms which will enable a strengthening of the decision-making process at local level in all these spheres. A main challenge and burning issue is the resolution of the status of IDPs and refugees. After that, efforts would need to be made to reach a better linkage between migration and other policies, especially social, labour market and educational policies as well as to focus even more on enhancing the communication with the Diaspora and their links with Montenegro.

## **7.2. Policies to be taken by different actors**

Among the policies and measures that are necessary to support those who would like to remain in the country, those concerning the labour market, social protection and the educational system are the most important ones.

Labour market policies should be focused on: 1) measures to combat long-term unemployed 2) the promotion of labour mobility, 3) measures in the field of education, training and career counselling focused on filling the gap between supply and demand on the labour market 4) the fight against informal economy 5) and measures that would increase the employability of the youth.

The main goal of social protection policy in Montenegro should be to increase the efficiency of the system, in the first line, to improve targeting of social assistance benefits as well as increase the adequacy of these benefits. Thus, social policy measures should be focused on re-designing the social protection system, revising eligibility criteria, simplifying administrative procedures as well as improving the authorisation of service issuance and delivery. A significant part of the reforms should be also dedicated to the decentralisation of the management and funding of the system together with an improvement of the human capacities of service providers. Those measures should also enable better integration of the specific vulnerable population groups. However, in the field of social policy there is still a need for a set of targeted measures that should be focused on the vulnerable population groups, in particular the RAE population and displaced persons. Especially the resolution of the status of RAE and displaced persons is needed in order to allow them to access the social welfare state; specific measures that should support employability of these groups as well as measures that would increase their integration into the educational system are also important.

The education system has been undergoing a process of reforms since the last ten years. However, it requires further efforts in order to harmonise it with current and future needs of the labour market and to integrate all population groups, among them ethnic minorities who are main contributors to emigration trends. The education system should also promote life-long learning for all, as this concept enables individuals to remain active on the labour market during their whole working age and to adapt to new trends and demands.

The challenges faced with the emigration of the qualified population to other more developed countries, can be solved in the long run by the implementation of different development policies in the areas of education, labour market and specific sectorial policies and a better connection of the migration policy to those policies with a view to better supporting those persons who decide to migrate.

In Montenegro there are no specific measures that are aimed at supporting members of the families of the migrants who have been left in the country. However, it is evident that remittances represent a significant source of income for those family members. In that sense policies that promote a more efficient transfer of money would be of significant importance; these can be policies which improve access to formal sector transfer mechanisms and enable the transfer of money at lower costs. However, those are mainly in the hands of the

financial institutions and transfer agencies. This is why policy measures should focus more on creating the conditions for direct payment of remittances for particular expenses, such as educational, health and social expenses.

Policies for cooperation with the Diaspora exist in Montenegro, but they should be enforced more efficiently primarily in order to better use the potential of the Diaspora as one of the possible sources for development in the country. In this respect more active and continuous communication, not only with the scientific and research community of the Diaspora, but also with the business community is needed. This would possibly result in channelling remittances not only to household budgets for current consumption but also to investment projects. In addition, the further promotion of individuals from the Diaspora, their actions and dissemination of results in the wider public is needed.

The analysis showed that in Montenegro there are policies that promote return migration or deal with the issue of re-integration of returnees however, there is still a significant room for a different set of measures and activities that may be implemented in this area. There are some sporadic measures that are currently implemented with the goal to collect information on those who were educated abroad and returned to Montenegro in order to enhance communication with them and try to employ their capacities. Activities that create a business-friendly environment and enable the establishment of companies easily with almost no costs as well as the promotion of business and investment possibilities can also be an effective way to attract Montenegrins abroad to come back to the country and to start their own business.

Experiences from other countries showed that the most efficient situation is the one in which migrants are permanent residents of the host country but are able to return easily to the home country on a temporary basis. In this situation they freely circulate between host and home country and may contribute most to the economies of both. In that sense the creation of conditions that would enchain circular migration, should be one of the goals of migration policy in Montenegro. Such policy measures should focus on the sustainability of stay and return of migrant workers in the long-run, including for example the development of solutions for offering rights to migrants (incl. right to residency), enabling sustainable return, the implementation of international conventions regarding migrants' and workers' rights, efficient solution of disputes, etc. Looking at experiences made in other countries, it also seems important that these policies are backed up with the deregulation of the labour market. The Montenegrin authorities should also consider using Mode 4 (temporary movement of persons across borders for the purpose of supplying a service) of the WTO General Agreement on Trade in Services (GATS). This agreement does not cover labour migration per se, but rather the narrower concept of movement of people across borders as one of four modes of delivering services. "Temporary" movement is not defined, but permanent migration is explicitly excluded as well as workers who do not work in the service sector.

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## Statistical Annex

From the aspect of territorial division, Montenegro counts 19 municipalities, the Capital city and Old Royal Capital. The municipality is the basic form of local government, but other forms of local government can be found. In Montenegro, there are no administrative regions. However, for statistical and analytical purposes the Montenegrin municipalities are grouped into 3 different regions, according to the Regional Development Law (Map 2).

**Map 1: Administrative division of Montenegro (according to municipalities)**



Source: [http://en.wikipedia.org/wiki/File:Municipalities\\_of\\_Montenegro.svg](http://en.wikipedia.org/wiki/File:Municipalities_of_Montenegro.svg)



**Map 2: Statistical division of Montenegro into regions (according to the classification of the Regional Development Law)**



**Table 1  
Montenegrin citizens abroad, 1991 and 2003**

Census	Population according to the census			
	Total	In Montenegro	Montenegrin citizens abroad	
			Number	Share in total population
1991	615,035	591,269	23,766	3.9
2003	687,418	631,695	55,723	8.1

Source: MONSTAT (2008): *Demografski trendovi u Crnoj Gori od sredine 20. vijeka i perspektive do 2050. godine (Demographic trends in Montenegro since the mid-20th century and prospects until 2050)*, Podgorica: Zavod za statistiku: 42

Note: When using census results, it should be taken into account that definition of the permanent, i.e. total population are not fully comparable between the Census 2003 and previous censuses. In population censuses 1971, 1981, and 1991, permanent population referred to Montenegrin citizens on a temporary stay abroad, as well as their family members accompanying them. It means that each inhabitant had to be enumerated in the permanent residence place, even if absent at the census time for any reasons (trip, education or field work, work abroad, compulsory military service, medical treatment, imprisonment, etc). Data about absent persons were given by household members. In the 2003 Census, according to international recommendations and standards, total population included, besides the resident population in country, Montenegrin citizens who have resided abroad for less than a year as well as foreign citizens and their family members who have resided in Montenegro for more than a year.

**Table 2  
Net number of migrants (both sexes), Montenegro: 1950-2010**

Period	Number (thousands)	Period	Number (thousands)
1950-1955	7	1980-1985	- 16
1955-1960	14	1985-1990	18
1960-1965	16	1990-1995	11
1965-1970	- 8	1995-2000	- 32
1970-1975	12	2000-2005	- 21
1975-1980	10	2005-2010	- 3

Note: The net number of migrants, that is, the number of immigrants minus the number of emigrants. It is expressed as thousands.

Source: [http://esa.un.org/unpd/wpp/Excel-Data/DB01\\_Period\\_Indicators/WPP2010\\_DB1\\_F19\\_NET\\_NUMBER\\_OF\\_MIGRANTS.XLS](http://esa.un.org/unpd/wpp/Excel-Data/DB01_Period_Indicators/WPP2010_DB1_F19_NET_NUMBER_OF_MIGRANTS.XLS)  
(Updated: 28 June 2011). Date of extraction: 18. 07. 2011.

**Table 3  
Net migration rate (per 1,000 population), Montenegro: 1950-2010**

Period	Net migration rate	Period	Net migration rate
1950-1955	4	1980-1985	- 6
1955-1960	6	1985-1990	6
1960-1965	7	1990-1995	4
1965-1970	- 3	1995-2000	- 10
1970-1975	5	2000-2005	- 7
1975-1980	4	2005-2010	- 1

Note: The number of immigrants minus the number of emigrants over a period, divided by the person-years lived by the population of the receiving country over that period. It is expressed as net number of migrants per 1,000 population.

Source: [http://esa.un.org/unpd/wpp/Excel-Data/DB01\\_Period\\_Indicators/WPP2010\\_DB1\\_F18\\_NET\\_MIGRATION\\_RATE.XLS](http://esa.un.org/unpd/wpp/Excel-Data/DB01_Period_Indicators/WPP2010_DB1_F18_NET_MIGRATION_RATE.XLS)  
(Updated: 28 June 2011). Date of extraction: 18. 07. 2011.

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**Table 4  
Montenegrin citizens abroad by duration of stay and age (Census 2003)**

Duration (years)	Total (%)	1-19	20-39	40-64	65 and over	Unknown
Total	53.433	13,945	20,179	10,629	1,006	7,673
	100.0%	26.1	37.8	19.9	1.9	14.3
1-4	18.9	7.1	7.8	1.8	0.3	1.9
5-9	19.9	5.3	9.9	2.5	0.3	1.9
10-14	21.0	3.6	10.8	4.1	0.2	2.3
15-19	7.7	0.9	3.1	2.5	0.1	1.1
20 and over	13.2	-	2.4	7.6	0.8	2.4
Unknown	19.3	9.2	3.8	1.4	0.2	4.7

Source: MONSTAT, (2007): *Statistički godišnjak 2007* (Statistical Yearbook), Podgorica: Zavod za statistiku: 45.  
Note: these are people who are more than a year abroad; information is obtained according to members of the former household

**Table 5  
Montenegrin citizens abroad of age 15 and over, by completed education and country of stay (Census data 2003)**

Receiving country	The highest completed education							
	Total	No school education	Unfinished primary education	Primary education	Secondary education	Higher education	University education	Unknown
Total	42099	6370	2596	12354	15528	1618	2605	1028
USA	14927	2233	1576	5056	4431	418	850	363
Germany	9100	1393	441	2698	3800	279	284	205
Other European countries	3041	295	70	756	1263	199	376	82
Switzerland	2101	299	50	702	829	73	87	61
Luxembourg	1933	290	91	824	577	46	33	72
Sweden	1702	248	44	469	735	55	89	62
Unknown	1678	497	62	278	576	97	145	23
France	1062	155	63	242	440	47	84	31
Italy	1000	88	10	167	545	109	76	5
Denmark	900	284	14	177	339	36	26	24
Netherlands	873	90	16	230	453	25	41	18
Australia	833	204	84	160	246	44	73	22
Austria	711	99	17	174	333	31	36	21
Canada	565	42	22	90	227	40	132	12
Russian Federation	466	33	3	65	246	24	71	4
Other non-European countries	455	45	14	109	156	50	79	2
Belgium	388	48	13	120	164	9	15	19
Great Britain	364	27	6	17	168	36	108	2

Source: MONSTAT (2007): *Statistički godišnjak 2007* (Statistical Yearbook), Podgorica: Zavod za statistiku: 46

**Table 6  
Crude rate of net migration plus adjustment – Montenegro, 1995-2009  
(per 1000 persons)**

Year	Net migration	Year	Net migration
1995	- 55.4	2003	- 1.1
1996	- 3.0	2004	0.7
1997	- 2.2	2005	- 1.5
1998	- 2.6	2006	- 0.4
1999	- 1.9	2007	1.2
2000	- 2.4	2008	0.1
2001	- 1.8	2009	0.0
2003	- 1.2		

Source: Eurostat, Date of extraction: March 10, 2011, available at <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table>

**Table 7  
The population of the country and the citizens of Montenegro abroad by region, in  
1981, 1991, and 2003  
(Thousands)**

	Population in Montenegro			Montenegrins abroad			Citizens of Montenegro on a temporary stay abroad as % of home population		
	1981	1991	2003	1981	1991	2003	1981	1991	2003
Montenegro	565.5	591.3	631.7	18.8	23.8	55.7	3.2	3.9	8.1
Northern region	222.1	211.2	197.7	6.8	7.4	28.3	3.0	3.4	12.5
Central region	234.2	254.3	285.1	5.3	7.5	12.8	2.2	2.9	4.3
Coastal region	109.1	125.8	148.9	6.7	8.9	14.7	5.8	6.6	9.0

Source: MONSTAT (2008): *Demografski trendovi u Crnoj Gori od sredine 20. vijeka i perspektive do 2050. godine* (Demographic trends in Montenegro since the mid-20th century and prospects until 2050), Podgorica: Zavod za statistiku: 45

Note: During the Census 2003, the data on Montenegrin citizens abroad were collected according to the statements of their family members in Montenegro. Based on international recommendation, data were collected only for those Montenegrin citizens staying abroad for more than one year. Persons temporarily working abroad - in the censuses 1971 and 1991 – included all our citizens that resided or worked abroad for foreign employer or as self-employed. After gaining independence in 2006, internally displaced persons (IDPs) are de facto status changed, so in latter studies IDPs are considered as part of the total population in Montenegro, and as such are included in the so-called base population

**Table 8  
Net migration by regions in Montenegro, 1981-1991, and 1991-2003  
(Thousands)**

Regions	Period between two censuses				Period between two censuses			
	Total population		Net migration		Total population 2006 definition		Net migration	
	1981	1991	Number	Rate (in %)	1991	2003	Number	Rate (in %)
Montenegro	584.3	615.0	- 33.4	- 5.6	593.5	634.0	- 9.6	- 1.6
Northern region	229.0	218.6	- 34.8	- 15.6	212.4	198.6	- 31.8	- 15.5
Central region	239.6	261.8	- 7.3	- 2.9	254.9	285.6	5.6	2.1
Coastal region	115.8	134.7	8.7	7.0	126.3	149.7	16.5	12.0

Source: MONSTAT (2008): *Demografski trendovi u Crnoj Gori od sredine 20. vijeka i perspektive do 2050. godine* (Demographic trends in Montenegro since the mid-20th century and prospects until 2050), Podgorica: Zavod za statistiku: 44

Note: *Internal migration* – the persons who changed the place of residence within the territory of Montenegro that is number of persons moved out and moved in.

**Table 9  
Declared emigration intention in the countries of Western Balkans**

Have you seriously considered migrating abroad for more than three months?									
		1.	2.	3.	4.	5.	6.	7.	8.
% in rows	N=	No, I never seriously considered going abroad	Yes, but I decided to stay home	Yes, I am leaving for another country within six months to take up employment	Yes, I am leaving for another country within six months for family reasons	Yes, I am leaving for another country within six months for other reasons	Yes, I am going to leave for another country in the future	I already live/work in another country (spend yearly over three months there)	Do not know; difficult to say; refusal
<b>Mean (unweighted)</b>		56.4%	24.2%	3.0%	1.5%	1.5%	6.9%	1.1%	4.6%
<b>Country</b>									
Albania	932	<b>43.8%</b>	<b>32.8%</b>	<b>6.7%</b>	<b>3.2%</b>	2.3%	5.7%	0.9%	4.7%
Bosnia and Herzegovina	768	58.2%	26.4%	2.1%	<b>0.4%</b>	<b>0.4%</b>	<b>11.2%</b>	0.8%	0.5%
Croatia	791	<b>65.1%</b>	25.3%	<b>1.2%</b>	<b>0.3%</b>	0.9%	3.9%	0.8%	<b>2.6%</b>
Kosovo* (UNSCR 1244)	1230	<b>40.0%</b>	<b>19.9%</b>	<b>7.0%</b>	<b>4.0%</b>	<b>4.1%</b>	12.2%	<b>2.0%</b>	4.2%
The former Yugoslav Republic of Macedonia	924	54.8%	<b>18.6%</b>	2.3%	1.4%	1.5%	10.5%	1.4%	<b>9.5%</b>
Montenegro	860	<b>67.9%</b>	<b>19.5%</b>	<b>0.5%</b>	0.7%	<b>0.5%</b>	2.8%	0.8%	<b>7.3%</b>
Serbia	858	<b>64.8%</b>	26.6%	<b>1.2%</b>	<b>0.3%</b>	1.0%	2.1%	1.0%	<b>3.1%</b>

Bold – statically significantly higher or lower than the mean

Source: Millward Brown SMG/KRC (Poland), 2009 and according to Kupiszewski et al. (2009): *Labour Migration Patterns, Policies and Migration Propensity in the Western Balkans*, Budapest: The Central European Forum for Migration and Population Research: 67

**Table 10  
Persons from Serbia and Montenegro Obtaining Legal Permanent Resident Status  
During Fiscal Years 1991-2009 in Overseas Countries – Australia, Canada and the  
United States**

Fiscal Year	Australia		Canada		The United States		Total	
	Total	Monte-negro	Total	Monte-negro	Total	Monte-negro	Total	Monte-negro
1991-1992	*2,521	100	3,178	250	2,604	200	8,303	550
1992-1993	*4,210	160	5,969	470	2,664	205	12,843	835
1993-1994	*4,854	190	3,922	310	3,435	270	12,211	770
1994-1995	*6,665	130	2,987	230	2,907	230	12,559	590
1995-1996	3,049	210	1,831	140	3,605	275	8,485	625
1996-1997	2,097	160	1,384	130	2,793	220	6,274	510
1997-1998	1,550	120	1,172	90	2,408	190	5,130	400
1998-1999	2,912	230	1,492	100	1,897	150	6,301	480
1999-2000	2,356	180	4,745	370	2,774	210	9,875	760
2000-2001	2,343	175	2,803	220	6,240	490	11,386	885
2001-2002	2,082	160	1,623	120	10,401	800	14,106	1,080
2002-2003	1,633	125	941	75	3,008	225	5,582	425
2003-2004	931	70	708	50	3,330	260	4,969	380
2004-2005	671	50	272	20	5,202	400	6,145	470
2005-2006	509	40	126	10	5,891	450	6,526	500
2006-2007	572	40	49	5	3,586	270	4,207	315
2007-2008	515	30	59	5	3,255	250	3,829	285
2008-2009	470	25	16	2	3,166	220	3,592	247
1991-2009 period	39,940	2,195	33,277	2,597	69,106	2,315	142,323	10,107

\* Relates to the former SFRY

Sources: Settler Arrivals 1991/92 to 2006/09. States and Territories, Canberra, Commonwealth of Australia, 2009; Facts and Figures. Immigration Overview. Permanent Temporary Residents, Canada, 2009; 2004 Yearbook of Immigration Statistics, U.S. Department of Homeland Security, 2005; Yearbook of Immigration Statistics, U.S. Department of Homeland Security, 2009

**Table 11  
Foreign population in Germany – from Montenegro, 2006-2011**

	Total	Men	% of Women
2006	982	486	50.5
2007	2,632	1,358	48.4
2008	6,380	3,490	45.3
2009	10,201	5,487	46.2
2010	12,930	6,830	47.2
2011	15,212	7,946	47.8

Source: Statistisches Bundesamt: Bevölkerung und Erwerbstätigkeit. Ausländische Bevölkerung. Fachserie 1, Reihe 2, 04.04.2012, Wiesbaden, pp. 26-32.

**Table 12  
Estimate Montenegro communities in Diaspora**

Country	Source and year	Number of persons
Serbia	2002, Serbian census (a)	69 049
Croatia	2001, Croatian census (b)	4 926
Slovenia	2002, Slovenian census (c)	2 667
Albania	2000, Albanian Helsinki Committee	2 000
Australia	2001, Australian office for statistics	766
Germany		20 000 – 30 000
Switzerland		25 000
Austria		2 000
Scandinavian countries		10 000
Cyprus		500
USA		30 000
Canada		4 000 - 5000
Latin America	(d)	20 000

(a) According to the census, 0.92% of total population in Serbia have declared themselves to be Montenegrins

(b) 0.11% of the total population in Croatia have declared themselves to be Montenegrins

(c) 0.14% the total population in Slovenia have declared themselves to be Montenegrins

(d) With Montenegrin ancestors

Source: Chindea, A. et al. (2007): *The Republic of Montenegro. Migration Profile*, IOM: Ljubljana

**Table 13  
Migratory features: population of Montenegro, according to the regions, 1991-2003**

	Total population	Urban regions	Rural regions
Total	620,145	383,808	236,337
Born in the same place	367,408	225,363	142,045
<b>Settled to the region</b>			
<i>A. Settled from:</i>			
1. the same municipality	92,528	38,522	54,006
2. other municipality in Montenegro	89,600	68,864	20,736
3. other republic of FRY	33,042	23,473	9,569
4. republics of the former SFRY	31,952	23,754	8,198
5. Other countries	3,784	2,612	1,172
6. Unknown	1,831	1,220	611
<i>B. Settled:</i>			
1. since 1940s to 1990s	116,059	62,607	53,452
2. since 1991 to 2003	77,631	49,370	28,261
3. Unknown	38,428	13,237	25,191

Source: MONSTAT (2005): *Popis stanovništva, domaćinstva stanova u 2003. Stanovništvo, Migraciona obilježja* (Census of population, households and apartments in 2003. Population, migration characteristics), No. 8, Podgorica: Zavod za statistiku: 8-9

**Table 14  
Readmission agreements**

Country	Ratified agreements
Germany	01. 11. 2002
Switzerland	01. 09. 1997
Sweden	15. 03. 2003
The Netherlands	12. 12. 2002
Belgium	12. 12. 2002
Luxembourg	12. 12. 2002
Italy	28. 06. 2003
Slovenia	21. 12. 2001
Austria	08. 03. 2003
Denmark	08. 03. 2003
Croatia	31. 01. 2003
Hungary	31. 01. 2003
Bulgaria	09. 08. 2001
Slovak Republic	15. 06. 2001
Bosnia and Herzegovina	
France	
Czech Republic	
Norway	
Canada	
Romania	
The former Yugoslav Republic of Macedonia	
Great Britain	
Greece	
Latvia	
Lithuania	
Readmission Agreement with the European Commission	

Source: IOM (2007): *The Republic of Montenegro: Migration Profile*, Geneva: IOM: 27



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**Table 15: Ethnic structure of Montenegrin population, census 1991 and 2003**

		1991	2003	2003/1991 change in population	Residents abroad	% of residence abroad in present population	Montenegrins	Serbs	Albanians	Bosniaks	Muslims	Others
<b>Northern region</b>	Andrijevica	6696	5785	-13.6%	598	10.3%	25.1%	69.6%	-	-		5.3%
	Berane	38953	35068	-10.0%	5757	16.4%	25.5%	46.5%	0.1%	16.1%	6.6%	5.2%
	Bijelo Polje	55268	50284	-9.0%	6796	13.5%	17.8%	40.3%	0.1%	22.6%	15.8%	3.4%
	Kolasin	11120	9949	-10.5%	94	0.9%	50.6%	44.8%			0.3%	4.3%
	Mojkovac	10830	10066	-7.1%	216	2.1%	54.8%	41.1%				4.1%
	Plav	19305	13805	-28.5%	7758	56.2%	5.5%	18.9%	19.7%	49.3%	5.7%	0.8%
	Pljevlja	39593	39806	0.5%	1118	2.8%	19.4%	54.1%		4.7%	7.3%	14.6%
	Pluzine	5247	4272	-18.6%	23	0.5%	32.6%	60.5%				6.9%
	Rozaje	22976	22693	-1.2%	4869	21.5%	1.9%	4.0%	4.4%	82.1%	6.7%	0.9%
	Savnik	3690	2947	-20.1%	27	0.9%	46.8%	47.4%				5.7%
Zabljak	4914	4204	-14.4%	35	0.8%	43.0%	50.3%				6.7%	
<b>Total NR</b>		218592	198879		27291							
<b>Central region</b>	Niksic	74706	75282	0.8%	1409	1.9%	62.6%	26.7%		0.2%	0.9%	9.5%
	Podgorica	152025	169132	11.3%	10413	6.2%	57.0%	26.3%	5.5%	1.4%	2.6%	7.3%
	Danilovgrad	14718	16523	12.3%	137	0.8%	67.8%	25.5%				6.6%
	Cetinje	20307	18482	-9.0%	273	1.5%	90.7%	4.6%				4.7%
<b>Total CR</b>		261756	279419		12232							
<b>Southern region</b>	Bar	37321	40037	7.3%	5336	13.3%	47.3%	27.7%	7.6%	2.3%	6.4%	8.7%
	Tivat	11429	13630	19.3%	378	2.8%	29.9%	35.2%	1.1%		1.1%	32.7%
	Ulcinj	24217	20290	-16.2%	6182	30.5%	11.9%	7.4%	72.1%	1.5%	3.4%	3.7%
	Budva	11717	15909	35.8%	300	1.9%	45.3%	40.9%				13.8%
	Herceg Novi	27593	33034	19.7%	1105	3.3%	28.6%	52.9%				18.5%
Kotor	22410	22947	2.4%	609	2.7%	46.8%	30.9%				22.3%	
<b>Total SR</b>		134687	145847		13910							
<b>Montenegro</b>		615035	624145		53433							

Source: MONSTAT, Census 1991 and 2003

**Table 16**  
**Age structure of population by municipalities**

		0-14	15-64	65+
Northern region	Andrijevica	20.0	61.6	18.4
	Berane	22.1	64.1	13.8
	Bijelo Polje	22.1	65.5	12.4
	Kolasin	18.6	64.8	16.6
	Mojkovac	20.5	66.7	12.8
	Plav	26.7	59.3	14.0
	Pljevlja	17.0	65.9	17.1
	Pluzine	16.3	65.6	18.1
	Rozaje	28.3	63.7	8.0
	Savnik	16.2	62.7	21.1
	Zabljak	17.0	66.1	16.9
Central region	Niksic	20	66.8	13.2
	Podgorica	21.4	67.9	10.7
	Danilovgrad	20.6	64.5	14.9
	Cetinje	17.6	67.7	14.7
Southern region	Bar	19.6	66.6	13.8
	Tivat	18.3	69.1	12.6
	Ulcinj	21.7	65.0	13.3
	Budva	19.7	69.4	10.9
	Herceg Novi	17.5	67.9	14.6
	Kotor	18.0	67.7	14.3
<b>Montenegro</b>		<b>20.5</b>	<b>66.7</b>	<b>12.8</b>

Source: MONSTAT, Census 2003

**Table 17**  
**Health workers and associates within northern region**

Public health institutions	Total of health workers and associates	Health workers and associates							
		Total with higher education	Physicians			Dentists			
			Total	General practitioners	Specializing in	Specialists	Total	Specializing in	Specialists
Health Centre Andrijevica	28	6	6	3		3			
Health Centre Berane	157	43	41	4	8	29			
Health Centre Bijelo Polje	156	42	39	10	8	21	2	2	
Health Centre Kolašin	44	10	10	3	1	6			
Health Centre Mojkovac	61	15	15	4	1	10			
Health Centre Plav	68	19	19	1	3	15			
Health Centre Pljevlja	105	30	29	3	3	23			
Health Centre Rožaje	92	28	28	1	6	21			
Health Station Žabljak	20	5	4			4	1		1
Health Station Plužine	12	2	2			2			
Health Station Šavnik	10	2	2	1		1			
<b>Total - Northern region</b>	<b>753</b>	<b>202</b>	<b>195</b>	<b>30</b>	<b>30</b>	<b>135</b>	<b>3</b>	<b>2</b>	<b>1</b>

Source: Institute for public health Montenegro, *Statistical Yearbook 2009*

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**Table 18  
Quality of Life Indicators**

Average (in range from 1 to 10)	Montenegro	North	Central	South
Life satisfaction	6.31	6.21	6.53	7.59
Satisfaction with education	5.7	5.3	6.2	6.8
Satisfaction with current job	5.1	4.8	4.9	6.3
Satisfaction with living standard	4.9	5.1	4.9	6.3
Satisfaction with accommodation	6.1	6.3	6.5	7.3
Satisfaction with family life	7.3	7.6	7.6	8.2
Satisfaction with health	6.9	7.1	7.1	7.9
Satisfaction with social life	6.5	6.3	6.8	7.2
Level of trust in other people	4.2	4.3	4.1	4.2
Satisfaction with health services	4.48	4.59	4.47	3.71
Satisfaction with schools	5.84	5.91	6.02	5.19
Satisfaction with universities	6.22	6.10	6.60	5.81
Satisfaction with public transportation	4.43	4.53	4.56	3.38
Satisfaction with social services	3.61	3.83	3.69	3.04
Satisfaction with the State pension system	3.68	4.16	3.86	2.64
Satisfaction with sports facilities	6.23	6.29	6.49	5.34

*Note: the data is examined at the national level and therefore does not actually represent a simple average based on the regions*  
Source: ISSP/UNDP (2008): National Survey on Social Exclusion

**Table 19  
Leaken Indicators**

Indicator	Definition	Breakdowns	Breakdowns
At-risk-of-poverty rate + Illustrative threshold value	Threshold value	€162.0	
At-risk-of-poverty rate + Illustrative threshold value	Share of individuals aged 0+ with an equivalised disposable income below 60% of the national median equivalised disposable income*. <i>Source: SSE</i> *Median equivalised disposable income is defined as the household's total disposable income divided by its "equivalent size", to take account of the size and composition of the household, and is attributed to each household member (including children). Equivalisation is based on the OECD modified scale.	Total	24.3
		0-17	25.0
		18-64	23.8
		65+	27.3
		Male	23.4
		Female	24.9
Relative median poverty risk gap	Difference between the median equivalised income of individuals aged 0+ below the at-risk-of poverty threshold and the threshold itself, expressed as a percentage of the at-risk-of poverty threshold. <i>Source: SSE</i>	48.3	
S80/S20	Ratio of total income received by the 20% of the country's population with the highest income (top quintile) to that received by the 20% of the country's population with the lowest income (lowest quintile). Income must be understood as equivalised disposable income. <i>Source: SSE</i>	18.84	

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NAT: Projected total public social expenditures	Age-related projections of total public social expenditures (e.g. pensions, healthcare, long-term care, education and unemployment transfers), current level (% of GDP) and projected change in share of GDP (in percentage points) (2010-20-30-40-50)	n.a.	n.a.	
Median relative income of elderly people	Median equivalised income of people aged 65+ as a ratio of income of people aged 0-64 <i>Source: SSE</i>	84.11		
Aggregate replacement ratio	Median individual pensions of 65-74 relative to median individual earnings of 50-59, excluding other social benefits <i>Source: SSE</i>	Male	32.86	
		Female	30.97	
Unmet need for care	The total self-reported unmet need for care, was limited to the three reasons: (a) financial barrier (b) waiting time (c) too far travel. Particularly the % of population that feel their medical care needs were not met because: (a) they could not afford / care was too expensive care (b) they are on a waiting list (c) care services are too far to travel to or they had no means of transportation (d) other reasons. Then present the aggregate proportion for the first 3 reasons for unmet need – thought to be those more strongly-related to social welfare systems. This does not preclude Member States to use all existing information on unmet need and reasons for unmet need as additional information. Similarly for dental care. <i>Source: SSE</i>	Male	7.4	
		Female	7.5	
		17-44	6.1	
		45-64	8.9	
		65-74	15.7	
		75+	10.8	
		1	11.0	
		2	7.0	
		3	7.5	
		4	5.6	
5	6.3			
At-risk-of-poverty rate anchored at a fixed moment in time (2004)	Share of individuals aged 0+ with an equivalised disposable income below the at-risk-of-poverty threshold calculated in year 2004 (1st EU-SILC income reference year for all 25 EU countries), up-rated by inflation over the years.	n.a.	n.a.	
Employment rate of older workers	Employed individuals in age groups 55-59 and 60-64 as a proportion of the total population in the same age group <i>Source: SSE</i>	55-59	Total	39.3
			Male	56.9
			Female	20.4
		60-64	Total	19.4
			Female	11.8
In-work poverty risk	Individuals who are classified as employed (distinguishing between “wage and salary employment plus self-employment” and “wage and salary employment” only) and who are at risk of poverty. This indicator needs to be analysed according to personal, job and household characteristics. It should also be analysed in comparison with the poverty risk faced by the unemployed and the inactive. <i>Source: SSE</i>	Employed	19.0	
		Unemployed	35.2	
		Inactive	26.1	

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Activity rate	Share of employed and unemployed people in total population of working age 15-64  Source: SSE	15-24	27.4
		25-54	62.3
		55-59	41.3
		60-64	19.4
		Total	49.6
		Male	50.0
	Female	37.8	
NAT: Regional disparities – coefficient of variation of employment rates	Standard deviation of regional employment rates divided by the weighted national average (age group 15-64 years). (NUTS II)  Source: SSE	25.56	

Source: ISSP/UNDP (2008): *National Survey on Social Exclusion*

**Table 20  
SEI by Vulnerable groups (% of individuals)**

	Core sample	Social welfare beneficiaries	Long-term unemployed	Pensioners	RAE	Persons with Disabilities	Displaced persons
Deprived of employment	8.3	23.5	27.7	10.7	19.9	7.9	10.1
Insecure employment	8.6	3.8	7.6	9.2	9.6	3.7	10.4
Deprived of education	14.2	30.7	14.6	22	65.0	28.5	27.9
Low income (in poverty)	24.3	58.5	46.4	43.1	42.3	36.1	29.9
SEI	9.2	21.8	15.5	17.3	13.9	15.7	12.6
Severe exclusion	1.3	4.1	3.8	2.4	12.8	1.2	0.8

Source: ISSP/UNDP (2008): *National Survey on Social Exclusion*

**Table 21  
Indicators of exclusion by gender and region (% of total number)**

		North	South	Centre	Montenegro
Deprived of employment	Male	10.9	5.1	9.1	8.7
	Female	12.5	3.8	7.5	8.2
Insecure employment	Male	10.3	14.1	7.7	10.2
	Female	6.3	10.9	5.3	7.1
Deprived of education	Male	14.4	7.3	12.7	12.0
	Female	18.5	14.5	16.2	16.5
Low income (in poverty)	Male	24.8	19.7	24.6	23.4
	Female	27.4	19.9	26.2	24.9
SEI	Male	15.2	10.5	12.5	13.0
	Female	5.0	5.1	6.2	5.5
Severe exclusion	Male	2.1	0.4	1.1	1.3
	Female	2.8	0.0	0.9	1.3

Source: ISSP/UNDP (2008): *National Survey on Social Exclusion*

**Table 22**  
**Key indicators of household vulnerability/exclusion**

	Low income (in poverty)	Insufficient access to health services	Indebtedness	SEI
Montenegro	24.3	29.7	30.1	3.5
Social welfare beneficiaries	53.9	20.8	55.4	11.9
Long-term unemployed	44.3	29.0	41.0	10.0
Pensioners with minimum income	44.5	22.8	32.7	8.9
RAE	41.6	50.5	54.5	14.1
Persons with disabilities	32.9	35.0	44.0	5.0
Displaced persons	31.0	32.3	22.9	8.3

Source: ISSP/UNDP (2008): *National Survey on Social Exclusion*

**Table 23**  
**Key indicators of household vulnerability/exclusion (in % of total number)**

	Low income (in poverty)	Insufficient access to health services	Indebtedness	SEI
Montenegro	24.3	29.7	30.1	3.5
North region	25.1	42.4	29.2	5.9
South region	20.0	24.9	12.0	1.0
Central region	24.8	23.9	41.1	3.2
Of which Podgorica	23.9	23.7	38.9	3.3

Source: ISSP/UNDP (2008): *National Survey on Social Exclusion*

**Table 24**  
**Poverty profile: Poverty Rates by Group**

	% of population	% who are poor		% of the poor
<b>By household size</b>				
1-3 members	28.9	3.6	(0.9)	9.6
4+ members	71.1	13.7	(1.6)	90.4
<b>By age of household head</b>				
under 50 years	39.9	11.8	(1.8)	45.3
50-64 years	33.9	8.5	(1.7)	27.9
65+ years	26.2	10.6	(2.5)	26.8
<b>By gender of household head</b>				
Male	86.4	10.9	(1.3)	88.9
Female	13.6	7.8	(3.2)	10.1
<b>By education of household head</b>				
Primary	15.3	16.8	(3.5)	25.3
Partial/completed secondary	84.7	8.9	(1.2)	74.7
<b>By employment status of household head*</b>				
Not employed and not retired	16.4	20.4	(3.9)	32.9
Employed	54.3	6.7	(1.3)	36.1
Retired and not employed	29.3	10.7	(2.5)	31.0
<b>By age</b>				
under 16 years	16.3	24.1	(1.9)	28.7
16-24 years	15.7	12.4	(1.4)	15.7
25-49 years	32.6	14.2	(1.1)	32.8
50-64 years	15.6	9.9	(1.5)	10.2
65+ years	19.8	8.7	(1.2)	12.6

Source: ISSP/UNDP (2008): *National Survey on Social Exclusion*

**Table 25**  
**Human Development Index**

Year	1991	1999	2000	2001	2002	2003	2004	2005	2006	2007
Life expectancy at birth (years)	75.2	73.4	73.4	73.4	73.0	73.1	73.1	72.6	72.7	72.7
Adult literacy rate (%)	94.9	94.9	94.9	94.9	94.9	97.7	97.7	97.7	97.7	97.7
Combined primary, secondary and tertiary gross enrolment ratio (%)	70.15	75.81	75.28	72.61	73.4	75.19	73.76	75.2	77.2	80.73
GDP per capita (PPP US\$)	5,347	3,107	4,475	4,398	4,858	6,120	7,100	7,39	8,64	9,934
Life expectancy index	0.837	0.807	0.807	0.807	0.800	0.802	0.803	0.794	0.795	0.795
Adult literacy index	0.949	0.949	0.949	0.949	0.949	0.977	0.977	0.977	0.977	0.977
Gross enrolment index	0.702	0.758	0.753	0.726	0.734	0.752	0.737	0.752	0.773	0.807
Education index	0.867	0.885	0.884	0.875	0.877	0.902	0.897	0.902	0.909	0.920
GDP index	0.664	0.574	0.634	0.632	0.648	0.687	0.711	0.718	0.744	0.768
Human development index (HDI) value	0.789	0.755	0.775	0.771	0.775	0.797	0.804	0.805	0.816	0.828

Source: ISSP/UNDP (2008): *National Survey on Social Exclusion*



**Table 26  
Poverty rates by regions**

	Montenegro	North	Centre	South	Podgorica
Poverty rate: Head Count	10.8	19.2	6.7	5.5	8.5
Poverty and Economic Vulnerability: Head Count	28.1	44.4	21.4	15.2	23.3
Percent of all poor	100.0	62.4	26.5	11.1	21.9
Poverty gap	2.7	4.9	1.9	1.0	2.5
Severity of Poverty	0.9	1.7	0.7	0.2	1.0
Average shortfall of the poor as percent of poverty line	25.6	25.6	28.5	19.3	30.2

Source: ISSP/UNDP (2008): *National Survey on Social Exclusion*

**Table 27  
Poverty incidence in Montenegro by different population groups**

	Poverty rate (%)
By different population group	
Core sample (general population)	10.8
Social welfare beneficiaries	30.0
Long-term unemployed	12.3
Pensioners	15.7
RAE	36.0
Persons with disabilities	11.9
Displaced persons	34.0

Source: ISSP/UNDP (2008): *National Survey on Social Exclusion*

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**List of interviews**

<b>Name</b>	<b>Organisation</b>	<b>Function, Area of expertise</b>	<b>Type of consultation</b>	<b>Date and duration</b>
Ms. Darka Džabasan	Ministry of Labour and Social Welfare	Advisor, Pension and Invalidity Insurance Department	Personal interview	20.05.2011
Ms. Gordana Radojevic	Statistical Office of Montenegro (MONSTAT)	Director	Personal interview	15.04.2011
Mr. Ratko Bakrac	Fund for Employment	Deputy Director	Personal interview	16.01.2012
Ms. Aleksandra Visnjic	UNDP	Project manager, Social inclusion	Telephone Interview	12.10.2011 14.03.2012
Ms. Noala Skinner	UNICEF	Country representative	Telephone interview	12.05.2011
Elvira Bektesi	Montenegro Diaspora Centre	Assistant	Personal interview	05.09.2011
Mr. Milanom Vukčevićem	Montenegro Diaspora Center	Director	Personal interview	05.09.2011
Mr. Ivan Milic	Ministry of Foreign Affairs and EU Integration	Director General, Directorate for Consular Affairs	Personal Interview	02.10.2011
Mr. Gordan Stojović	Ministry of Foreign Affairs and EU Integration	Cooperation with Diaspora	Personal interview	02.10.2011
Ms. Marijana Mitrovic	Central Bank of Montenegro	Director of the Center for Research and Statistics	Personal interview	03.10.2011
Ms. Nina Vujosevic	Ministry of Economy	Deputy Minister for Regional Development	Personal interview	13.04.2012.
Anonymous Montenegrin citizen who sails on foreign ships			Telephone interview	04.02.2012