



MICEB

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& Business



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SHAPING SUSTAINABLE ECONOMIES: THE ROAD TO **EU** MEMBERSHIP

CONCLUDING REMARKS

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SESSION: THE NARROW CORRIDOR OF FREEDOM

James A. ROBINSON, Chicago University, Nobel Prize Winner 2024

1. **Montenegro belongs to the category of 'Paper Leviathans'** — states that exist formally but function ineffectively, while society remains fragmented and struggles to organize collectively.
2. **Weak states sometimes persist because they serve the interests of political elites.** These elites may choose not to strengthen the state, as doing so could trigger a 'mobilization effect' in society that they cannot control.
3. **State weakness can serve as a powerful political tool, enabling elites to engage in patronage and clientelism.**
4. The Paper Leviathan is a trap. **Constant pressure from both the community and society is necessary to compel the state to respond and initiate a positive cycle of change.**

Robinson: "Montenegro's accession to the EU expands the corridor of freedom!" This process leads to two key objectives:

- To a state capable of providing quality public services, upholding the rule of law, and building inclusive political and economic institutions, and
- To a society with the capacity to mobilize and defend its freedom and institutions!

SESSION: SUSTAINABLE FINANCE IN THE CONTEXT OF NEW EU POLICIES

Blaž BRODNJAK, CEO, NLB Group

Irena RADOVIĆ, Governor, Central Bank of Montenegro

1. **Digital transformation is a priority, but it requires a strategic approach.** Digitalization is not merely a matter of technology, but of vision, user focus, and regulatory support. NLB and CBCG share a common goal—building an inclusive and modern payment system.
2. **The Central Bank of Montenegro (CBCG) is recognized as a key player in EU integration, notably through active participation in nine negotiation chapters.** CBCG remains committed to further strengthening the regulatory and supervisory framework, modernizing the payment system, and achieving full alignment with the EU's financial services acquis. The implementation of SEPA and TIPS systems, along with regulatory reforms, accelerates Montenegro's EU integration and boosts competitiveness.
3. **Regional cooperation and the presence of groups such as NLB help accelerate European integration.** As a leading bank in the region, NLB contributes to the transfer of knowledge, technology, and standards, directly benefiting Montenegro's market. There is a need to foster the creation of a unified regional market, as capital knows no borders.
4. **There is a growing synergy between the public and private sectors, as they share the goal of a stable and sound financial system.** Regulation must keep pace with technological development to strengthen the competitiveness of the financial sector.
5. **A sustainable financial future lies in the combination of digital, green, and inclusive elements.** Digital services, ESG principles, and broader access to finance (including capital market development) will lay the foundation of a competitive, resilient, and socially responsible regional economy. Independence and institutional credibility must be a priority, as they are crucial for economic stability and prosperity.

SESSION: NAVIGATING TOWARDS PUBLIC FINANCE SUSTAINABILITY

Jože P. DAMIJAN, SEB, University of Ljubljana

1. Despite its rich history of integration and a common market, Europe has faced decades of slow growth and stagnating productivity. Compared to the United States and China, which pursued strong fiscal interventions, the European Union has often prioritized fiscal discipline over developmental ambitions. Nevertheless, thanks to its consistent institutional commitment to fiscal stability, **the EU took a significant step forward with its new 2023 fiscal framework, shifting towards a more modern, medium-term, and reform-oriented approach to public finance.** This new framework not only strengthens the role of Member States in shaping their fiscal policy, but also clearly acknowledges the need to balance budgetary responsibility with strategic investments in the future.
2. It is crucial not to lose sight of the key challenge: that strict fiscal rules, if rigidly applied, can constrain the capacity to invest in green, digital, and security enhancements—three pillars of European strategic autonomy. Therefore, it must be clearly stated that **fiscal sustainability and economic growth are not contradictory goals but complementary processes.** In the long term, growth is the most effective way to reduce public debt.
3. The EU has shown it is willing to learn from the past. The ReArm initiative, which suspended certain fiscal constraints to reinforce Europe's defense capacities, demonstrates that the Union recognizes when strategic goals require flexibility. This approach must also be extended to investments in sustainability, digitalization, and competitiveness. For countries like Montenegro that seek to join the European family, this sends an important message: **European integration is not merely a technical process of rule alignment, but entry into a community committed to smart development, collective resilience, and a vision of a sustainable future.**

SESSION: SOUTHEAST EUROPE AND MONTENEGRO IN 2025

Velimir BOLE, Economic Institute (EIPF), Ljubljana, Slovenia

1. Following the pandemic, Montenegro demonstrated a remarkably swift recovery in economic activity, particularly in the services sector, albeit with significant dependence on external factors and high inflation.
2. Service exports, particularly in tourism, were the main driver of growth, yet Montenegro still lags behind countries like Croatia in terms of revenue per overnight stay.
3. Inflation in Montenegro was higher than in the eurozone and SEE countries, primarily due to rising service prices and a surge in post-pandemic consumption.
4. Investments only began to recover at the end of 2023, but in 2024 they remained below pre-pandemic levels, indicating structural weaknesses.
5. The country's fiscal position has significantly improved—by the end of 2024, Montenegro met the formal fiscal sustainability criteria of the eurozone.
6. At the start of 2025, the key barriers to economic activity are labor shortages, insufficient demand, and limited access to financing, particularly in the services sector.

Maja BAČOVIĆ, Faculty of Economics, UoM

1. Projections for the 2025–2028 period indicate an average real GDP growth of 2.77%, with the unemployment rate expected to decline from 10.2% to 7%.
2. Investments and exports will be the primary drivers of growth, while the contribution of household and government consumption will remain limited due to high import dependency (import dependency coefficient stood at 0.66).
3. A persistent issue of low labor productivity was observed, which remains significantly below EU levels due to underdeveloped knowledge, technology, and management infrastructure.
4. Fiscal space is limited: as much as 70% of the budget is allocated to mandatory expenditures, reducing the room for developmental investments. Proposed measures include strengthening export competitiveness, improving the business environment, more efficient capital utilization, and aligning policies with EU priorities.

In the coming years, Montenegro's economy will face challenges that go beyond short-term cycles—a deep structural transformation is needed to reinforce productivity, investment capacity, and resilience to shocks. In the context of European integration, future growth must be based on smarter resource management, more efficient public policies, and active engagement with European development mechanisms.

SESSION: SHAPING THE FUTURE OF SUSTAINABLE ENERGY: INSIGHTS FROM ELES AND EPCG

Aleksander MERVAR, CEO, ELES Slovenia
Ivan BULATOVIĆ, CEO, EPCG Montenegro

1. Power systems are undergoing significant changes to achieve energy transition goals, including grid development and the construction of additional renewable energy capacities. There is always a trade-off between economic, environmental, and energy objectives.
2. **Montenegro has clearly committed to transitioning toward renewable energy sources.** There are no plans to build a second block of the Pljevlja Thermal Power Plant, reflecting the EPCG's awareness of future market and regulatory pressures concerning coal usage. This decision aligns directly with the broader European context—including mechanisms such as CBAM, which will impose carbon taxes on electricity exports from countries that do not comply with decarbonization standards. In such an environment, carbon-intensive energy becomes unsustainable—both economically and regulatorily. Therefore, the EPCG's clear orientation toward renewable sources is both an ecologically and economically sound decision, essential for preserving Montenegro's competitiveness in the region and for future energy exports to the EU market.
3. **Investing in human capital is the foundation of energy transition.** This is critical for implementing smart solutions, balancing the system, and strategically managing the grid. For Montenegro, this means that strengthening institutional and professional capacities must be a priority to meet EU technical standards and energy regulations.
4. **Regional cooperation is key to energy security and development.** It offers significant opportunities for more efficient energy exchange and greater stability in the Western Balkans. One example is the undersea power cable between Montenegro and Italy, as well as transmission lines that will facilitate energy flow with neighboring Serbia. These initiatives contribute to market integration and promote the long-term sustainability of the energy sector.

SESSION: DRIVING BUSINESS SUSTAINABILITY: INSIGHTS ON OSA AND CORPORATE GOALS

Janez ŠKRABEC, President of RIKO, Slovenia

Dragan BOKAN, President of VOLI, Montenegro

1. Montenegro's political will to accelerate its accession to EU is important and should be used wisely. **Companies in Montenegro should demonstrate greater readiness to align with EU standards—even if those standards are not yet binding.** The best way to achieve this is through partnerships with European counterparts. OSA is not merely an EU policy—it represents a development opportunity for small countries and domestic firms.
2. **Montenegro has the potential to become a regional leader in certain sectors** if it aligns its policies and attracts smart investments, while establishing timely connections with successful and high-quality systems and companies.
3. **Autonomy is not isolation, it is maturity.** Management teams of domestic companies—whether from Slovenia or Montenegro—are prepared to adopt a wider perspective. Montenegro has the potential, the vision, and—most importantly—the people capable of creating a system that can become part of the European economic base.
4. Montenegro and Slovenia show that autonomy is not a matter of size, but a matter of smart strategy.

KEY MESSAGES

On behalf of the Faculty of Economics, as the organizer of this conference, we call on the Government of Montenegro to accelerate the systemic reforms necessary for the country's accession to the European Union. Montenegro now has a unique opportunity—one that may not return anytime soon—and it is our generational responsibility to seize it. On this path, we must follow successful examples of integration. That is why the Slovenian experiences presented at the conference are valuable for Montenegro.

Montenegro needs a social dialogue that will result in a broad-based social contract—that contract must include all social actors, ensuring that no one is left behind, as freedom must belong to everyone.

The Faculty of Economics will establish a Center for Fostering European Identity, with the aim of contributing institutionally to the Europeanization of Montenegro and the wider region.

Montenegro—spiritually, historically, culturally, legally, economically, and in terms of values—belongs to Europe and the European Union. We strongly believe that the enthusiasm and consensus around this goal will provide the momentum for achieving the most important political objective—Montenegro's accelerated accession to the EU, a goal that has no alternative.