Building an Economy Beyond the Beach: Diversification in Montenegro

Embassy Podgorica

European and Eurasian Affairs to Montenegro

Overview:

Montenegro's incredible natural beauty has contributed to a booming tourism sector. Unfortunately, increasing economic disparity between those who live near the coast and those who live inland is a by-product of that growth. With a population of just 650,000, the Montenegrin labor pool is limited, and many rural Montenegrins with weaker skill sets remain unemployed. Young people who can find work abroad continue to leave the country, contributing to a steady "brain drain." It is both clear that Montenegro needs to diversify its economic base to retain young workers and yet difficult to attract investment needed to build new industry because of its small market.

The Montenegrin government has expressed interest in rebuilding its manufacturing base that was lost after the dissolution of Yugoslavia. There is also interest in encouraging youth to embrace entrepreneurship and in bringing American businesses to Montenegro, NATO's newest member country and an aspiring member of the EU in 2025. The future can be bright in this tiny southeastern European nation - if they can focus on the right types of investments.

The project would challenge students to research and identify economic sectors which have been successfully developed in similar nations - small, tourism-heavy, and middle income. Are there tangential markets on which Montenegro should focus to attract FDI, or to expand on their competitive advantage in tourism? What did other countries in a similar situation do to stimulate entrepreneurial development? What types of jobs are currently being outsourced to economies of this size, education level, and income level?

Your research will help to shape engagement with leaders in the business community and with government officials.

Format of Final Project:

A 10-20 page research paper with case study examples/ success stories that is connected to data analysis would be optimal.

Potential Areas of Useful Expertise or Interest:

Economic & Finance Issues; European & Eurasian Studies; International Development; International Relations; Public-Private Partnerships; Statistics; Youth Issues; Entrepreneurship;

Comments:

The project should focus on concrete deliverables as opposed to development theory.
Example: Are there certain industries which have found success in similar markets, and why? What were the keys (infrastructure, tax, geography, etc) to bringing that investment to the target country?