

# Regional Skills Partnership for the Western Balkans Region

## The context: the economic landscape of the Western Balkans

The economic landscape of the Western Balkans<sup>1</sup> – Albania, Bosnia and Herzegovina, Croatia, Kosovo\*<sup>2</sup>, Montenegro, North Macedonia and Serbia – has seen significant shifts and challenges over the years. Historically, the region has faced political instability, ethnic tensions, and the legacies of communism, which have all influenced its economic development. However, in recent years, there have been efforts to foster economic growth and stability through various reforms and integration into the broader European and global economy. The Growth Plan for the Western Balkans<sup>3</sup>, launched in November 2023, is the flagship initiative for accelerating socio-economic convergence in the region. It follows the Economic and Investment plan for WBs 2021-2027 aimed at stimulating significant investment in the region and supports projects on sustainable connectivity, human capital, competitiveness and inclusive growth, and the twin transition.

Some key factors and trends in the economic landscape of the Western Balkans include:

**Transition from communism:** The Western Balkans transitioned from centrally planned economies to market-based systems after the fall of communism in the late 20th century. This transition has been accompanied by challenges such as privatisation of state-owned enterprises, restructuring of industries, and establishing regulatory frameworks.

**Integration efforts:** All six Western Balkans aspire to join the European Union (EU). This process requires implementing comprehensive reforms to align with EU rules and standards, with the fundamentals at its core, including rule of law and economic criteria.

**Foreign investment:** Foreign direct investment (FDI) has played a significant role in the economic development of the Western Balkans, particularly in sectors like manufacturing, services, and infrastructure. While investors are attracted by factors such as relatively low labour costs, strategic location, and potential for market growth, they can be deterred by political instability and rule of law issues (namely, corruption).

**Infrastructure development:** Improving infrastructure, including transportation networks, energy systems, and telecommunications, is crucial for enhancing connectivity within the region and with the rest of Europe. Projects such as the construction of highways, bridges, and energy pipelines aim to facilitate trade and investment and promote economic integration.

**Digital and green transition:** the twin transition is essential, especially after the COVID pandemic and related economic crisis that has affected the whole world. Raising awareness in the Western Balkans of the necessity to advance on the digital and green transition is key to guiding the development of all business entities. Creation and implementation of digital-green transformation strategies needs to become a priority.

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<sup>1</sup> <https://www.europarl.europa.eu/factsheets/en/sheet/168/the-western-balkans>

<sup>2</sup> \* This designation is without prejudice to positions on status, and in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.

<sup>3</sup> [https://neighbourhood-enlargement.ec.europa.eu/news/commission-presents-new-growth-plan-western-balkans-including-eu6-billion-grants-and-loans-2023-11-08\\_en](https://neighbourhood-enlargement.ec.europa.eu/news/commission-presents-new-growth-plan-western-balkans-including-eu6-billion-grants-and-loans-2023-11-08_en)

Overall, while progress has been made in the economic development of the Western Balkans, there are still significant hurdles to overcome. **Continued reforms, investment in infrastructure and human skills, and regional cooperation are essential** for achieving sustained economic growth and stability in the region.

### The role of the Creative Industry

The culture and creative industries play a vital role in the Western Balkans, contributing to the region's identity, social cohesion, and economic development. Despite historical and political challenges, the Western Balkans boast a rich cultural heritage, including diverse traditions, arts, music, literature, and cuisine. In recent years, there has been growing recognition of the potential of the cultural and creative sectors to drive economic growth and foster innovation. **Efforts to invest in cultural infrastructure, support creative entrepreneurship, and promote cultural diversity, especially improving the working skills of cultural actors, can contribute to the region's cultural vibrancy and resilience.** Creative industries in the Western Balkans can significantly contribute to the region's challenges identified in the previous chapter.

Creative industries can help reshape cultural identities and promote democratic values by fostering freedom of expression, innovation, and cultural diversity. They can provide platforms for critical dialogue and reflection on past experiences, aiding in the healing and transformation of societies.

In terms of integration efforts, **creative industries play a crucial role in enhancing cultural exchange and understanding between the Western Balkans and the European Union.** By participating in EU cultural programmes and projects, these industries can bridge cultural gaps, build mutual respect, and strengthen regional cooperation, all of which are essential for smoother integration into the EU.

**Attracting foreign investments is another area where creative industries can make a substantial impact.** By showcasing the region's rich cultural heritage and contemporary creativity, these industries can draw international attention and investment. Creative industries often require relatively lower capital investment compared to traditional sectors, yet they offer high returns in terms of economic growth and employment, making them attractive to foreign investors.

**Infrastructure development in the Western Balkans can also benefit from the growth of creative industries.** The need for venues, studios, galleries, and technological infrastructure to support these industries can drive urban renewal and infrastructure improvements. Moreover, creative industries can transform unused or underutilised spaces into vibrant cultural hubs, stimulating local economies and community engagement.

Regarding the digital transition, **creative industries are inherently linked to digital innovation.** They can drive the adoption of new technologies and digital platforms, facilitating the digitalisation of other sectors as well. Through the creation of digital content, applications, and services, these industries can enhance digital literacy and connectivity in the region.

For the green transition, **creative industries can promote sustainable practices and raise awareness about environmental issues** through their work. They can lead by example in adopting eco-friendly production methods and materials. Additionally, by incorporating themes of sustainability and environmental consciousness into their projects, creative professionals can influence public opinion and behaviour towards greener lifestyles.

In summary, creative industries in the Western Balkans hold substantial potential to enhance integration with the EU, attract foreign investments, drive infrastructure development, and lead digital and green transitions. Their role in fostering innovation, cultural exchange, and sustainable practices makes them pivotal in the region's overall development.

## The challenge

Several challenges face the development of the culture and creative industries in the Western Balkans and neighbouring countries:

**Skills and capacity building:** The cultural and creative sectors require a skilled workforce with expertise in areas such as management, financial management, project management, digital technology, marketing, communication skills, intellectual property rights, legal frameworks to support the sustainability and growth of creative enterprises, business development and networking. Especially important are digital, communication and green skills. However, there is often a lack of specialised training and educational programs tailored to the needs of the cultural industry, hindering the professionalisation and competitiveness of cultural practitioners. There is a need for multidisciplinary innovative training programs, curriculum development, and experiential learning opportunities.

**Recognition and validation:** Skills acquired in the cultural and creative industries, such as artistic expression, design, storytelling, and creative problem-solving, may not always be formally recognised or valued in other sectors. There is a need to raise awareness among employers and policymakers about the transferability and relevance of these skills in diverse fields such as marketing, advertising, education, tourism, and technology.

**Access to funding, markets and networks:** Limited access to domestic and international markets, distribution channels, and networks impedes the visibility, distribution, and monetisation of cultural products and services. Skills initiatives should provide support for access to finance, incubation spaces, market linkages, and international collaboration opportunities. Building partnerships between the cultural sector, academia, government, and industry can facilitate knowledge exchange, skills transfer, and collaboration across sectors, enhance the visibility and exportability of Western Balkan cultural products and facilitate cross-border exchange and cooperation.

**Cultural diversity and inclusion:** Promoting cultural diversity, social inclusion, and minority rights is essential for fostering a vibrant and inclusive cultural sector in the Western Balkans. Initiatives to support underrepresented groups, including women, minorities, and marginalised communities, in accessing training, employment, and leadership opportunities can foster a more inclusive and dynamic skills ecosystem. Addressing issues of discrimination, marginalisation, and exclusion can unlock the creative potential of diverse communities and contribute to social cohesion and reconciliation in the region.

**Intellectual property rights:** Weak enforcement of intellectual property rights poses challenges for artists and creators in the Western Balkans, exposing them to piracy, copyright infringement, and unfair competition. Strengthening education about legal frameworks and enforcement mechanisms is essential to protect the rights and livelihoods of cultural practitioners and stimulate creativity and innovation.

**Research, mapping and monitoring:** The region often lacks comprehensive and reliable data on the sector. This data scarcity makes it difficult to understand the true economic and social impact of

cultural and creative industries. Without accurate data, policymakers and stakeholders struggle to develop informed strategies and allocate resources effectively. Moreover, the methodologies for collecting and analysing data in these industries are not standardised across the Western Balkans. This inconsistency leads to fragmented information that hampers cross-border comparisons and regional collaboration. Additionally, there is often limited awareness and understanding of the specific needs and dynamics of the creative industries among those conducting research, further complicating the development of robust monitoring systems.

Another significant challenge linked to data gathering is the limited funding and institutional support for research initiatives in the region. Cultural and creative sectors are frequently underfunded, and research activities are often not prioritised. This lack of investment results in insufficient research capacity, with a shortage of skilled professionals dedicated to studying these industries.

Furthermore, political instability and economic uncertainty in some Western Balkan countries can disrupt research efforts and hinder long-term planning. In such an environment, sustaining continuous and systematic monitoring becomes challenging. As a result, initiatives aimed at mapping and monitoring the creative industries often remain sporadic and project-based, lacking the consistency needed for meaningful insights.

Lastly, there is often a disconnect between research findings and practical applications. Even when data is available, it is not always effectively used by policymakers, industry stakeholders, or practitioners. Bridging this gap requires better communication channels and stronger partnerships between researchers and the cultural and creative sectors.

These challenges collectively impede the ability to develop a clear and comprehensive understanding of the cultural and creative industries in the Western Balkans, ultimately affecting their growth and integration into broader economic and social development strategies.

### **Defining cultural policies**

Defining cultural policies in the Western Balkans is challenging due to several factors. The region's diverse cultural heritage and varied political histories make it difficult to create cohesive and inclusive policies that address the needs of all communities. Additionally, the legacy of political instability and economic hardship in several Western Balkan countries has often led to underinvestment in the cultural sector, resulting in a lack of resources and institutional support for comprehensive policy development.

There is also a significant gap in expertise and capacity within governmental bodies responsible for cultural policy. Many of these institutions lack the necessary experience and understanding of the unique dynamics of the creative industries, which hampers their ability to develop effective policies. This is compounded by a frequent disconnect between policymakers and practitioners in the creative sector, leading to policies that are not always aligned with the practical realities and needs of the industry.

Another issue is the influence of political agendas and interests, which can skew cultural policies towards certain areas or groups, neglecting others. This can create imbalances and inequalities within the cultural sector, stifling the growth of a diverse and vibrant creative ecosystem.

Finally, the rapid pace of technological change and globalisation poses additional challenges. Policymakers must navigate these complex and evolving landscapes while ensuring that cultural policies remain relevant and supportive of innovation and sustainability within the creative industries.

The development of cultural and creative industries in the Western Balkans faces significant challenges, including the need for skills and capacity building, recognition of skills, access to funding and markets, promoting cultural diversity, and strengthening intellectual property rights. The lack of comprehensive data, limited funding for research, political instability, and rapid technological changes further complicate policy development and sector growth. Addressing these challenges requires coordinated efforts by governments, cultural institutions, civil society, and the private sector to invest in infrastructure, capacity building, policy reform, and international cooperation. By fostering collaboration and investing in transferable skills, the Western Balkans can harness their cultural heritage and creative industries to promote sustainable development, economic growth, social cohesion, innovation, and cultural exchange.

### **The ambition**

In view of the challenges defined above, the Partnership has the following ambition. It aims to support a new systematic approach between institutions, businesses, trade unions, associations, and public and private entities in the Western Balkans and neighbouring countries (e.g., Slovenia), to face current and future skills challenges related to the creative and cultural industries (CCIs) and to develop conditions and tools that can foster concrete skilling actions with flexibility and sustainability. This aims to promote equitable and resilient growth and bring about economic and social development in the region.

### **Commitments and actions of the Partnership**

To achieve this ambition, the Partnership makes the following commitments, implemented through key actions, listed below.

- Promote skills and professions for sustainable business by aligning with the EU Sustainable Business Taxonomy
- Provide better recognition of the potential of the cultural and creative sectors to drive economic growth and foster innovation by promoting skills closely related or deriving from the cultural sector in other parts of the local economy.
- Develop digital, green and communication skills in the CCIs
- Host and promote capacity-building sessions and lifelong learning
- Place-based diagnostics:
  - Identify skills, needs, challenges, aspirations and resources (participatory process) of the local economy;
  - Align needs with training paths for young people through workshops and training
- Identify, monitor and document case studies of successful trans-sectoral cooperation on skills in CCI sector
  - Focus on collaborations that integrate CCI skills with other sectors, such as education, tourism, and regional development.

- Highlight cross-sectoral approaches that leverage cultural and creative skills for innovation in the broader economy.
- Coordinate and expand local horizontal networks
- Provide analyses and assessments of public policies and formulate policy recommendations in the sectors related to CCI, economy, education, regional development and tourism.

### Tracking our impact

| KPI  | Target                 | Timeframe for Achievement | Key Milestones  |
|--|------------------------|---------------------------|---|
| Establishment and operation of the HUB as a creative, collaborative incubator            | <i>Operational HUB</i> | 2026                      | <i>Launch of the HUB to facilitate training programmes, incubate innovative projects, and expand regional networking initiatives through partnerships with local organisations and European networks.</i> |
| Number of up-skilling opportunities in digital, green, and communication skills offered  | 10                     | 2026                      | <i>Training and skilling programmes for the CCIs sector linked to the partnership's work, with complementary actions planned</i>  |
| Number of organisations participating in the Partnership and its activities              | 30                     | 2026                      | <i>10 Faculties and Schools, 20 other entities</i>  |
| Number of projects financially supported to promote CCI-related skills in other sectors  | 15                     | 2027                      | <i>Assistance provided in connecting with EU funds and supporting applications for relevant proposals</i>   |
| Number of events/networks participated in to foster knowledge transfer and dissemination | 5                      | 2026                      | <i>Regional Skills Partnership introduced at key CCI conferences (e.g., Beyond the Obvious by Culture Action Europe, Video Games Studies conference)</i>  |

The Regional Skills Partnership would like to be the link between research and practice through the place-based HUB. The HUB will be a creative, collaborative incubator for new projects, training, and networking initiatives. It will operate primarily as online hubs, reflecting the need to be accessible to geographically dispersed CCI actors, but will also have a physical presence that is hosted by a

collaborating organisation (e.g., local business incubator, educational institution, cultural centre, or local authority) so that there is a regular place to physically meet when appropriate.

To strengthen horizontal networking and collaboration among its community members, HUB aims to diversify, expand and decentralise collaborations at the regional level. HUB will have strong links with at least two big European networks – European Network of Cultural Centres (ENCC) and Culture Action Europe (CAE). We will also be able to ask for a mentoring visit from their side. These interactions will inform the more centralised policy initiatives of the network (that is, they will help ‘encode’ the sector’s needs in policy debates), enhance the engagement of cultural agents in advocacy efforts at the national, regional and European levels, and contribute to the collective development of arguments. This will contribute to a revitalised discourse about the impact of culture and the arts and their contributions to society. Mentoring visits are designed to reinforce collaboration among members of the CAE network who share the same territory, and sometimes the same language. The objective is to strengthen the capacities of cultural operators to help them engage with national and European-level policy developments. Additionally, the mentoring visits will stay attuned to ongoing debates on the ground to inform CAE’s Networking.

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Zavod Exodos, Ljubljana, Slovenia

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