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Cross-border Cultural Relations of Croatia and Serbia: Milk and Honey if Money is Involved

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Abstract: With the rise of creative industries, culture in international relations achieves strong competitive economic advantages. At the same time, it is often a fertile tool in reconciliation between conflicted communities and long-term consolidation of their relations. Economic peace theory claims economic interdependence as being the key factor in achieving peace between communities. Starting from this premise, this paper analysed the success of specific EU funding within cross-border cooperation schemes between Croatia and Serbia in enhancing social relations between the two states and their cooperation, as indirect effects. Adapted Conflict Management and Mitigation Matrix (CMM) served as a basis to confirm the assumption that international relations are enhanced if direct economic benefits for the communities are involved. The research confirmed this assumption and provided recommendations for future EU financial instruments.

Keywords: cultural cooperation, economic peace theory, Croatia, Serbia, European Union

Introduction

Although the role of culture in international relations has been somewhat neglected if comparing it to military or economic powers, it has a long history as an instrument of foreign policy (i.e. cultural diplomacy); on the other side, it has served as either an instrument of international relations establishing intercultural dialogue or global political cooperation has been established around culture (e.g. UNESCO). Today, especially with the rise of social media, which are an important factor in image building, it has come centre-stage. Thus, it has been an important subject in international relations, foreign policies, diplomacy, propaganda, it has been used in country image building or nation branding. With the proven success of cultural/creative industries and their economic power in a globalised world, countries have shifted their economic policies in international relations

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towards culture, which is now assuming a more prominent role.¹ Therefore, this article aims at analysing the way in which financial support to projects in the field of culture could potentially contribute to the long-term consolidation of once strained bilateral relations, on the community and state level.

Cultural industries may have served in promoting identity politics (and still do) having the power of persuasion. Still, their strength now focuses on image building, stressing the competition in the global arena through (cultural) politics and economy.² Culture, therefore, plays both roles, being the power of persuasion but also performing competitive economic advantages. In this line, creativity, being an inherent value of culture is the focal competitive advantage of a certain region, which is due to ethnic diversity, educational system, exposure to inspiration, as well as appreciating the personal expression.³ As it was clearly stated by Mornah and MacDermott, culture, “attitudes and ways of life do matter even when a lucrative business opportunity exists.”⁴ Besides, a number of authors prove the direct competitive advantages of cultural and creative products in the international arena.⁵ This projects culture as a novel form of a sophisticated and smart power, capable of bridging the gaps that are sometimes beyond reach when using exclusively traditional foreign policy tools. In this way, the culture’s own inherent as well as new societal values are built, together with its overall relevance at the wider international arena.

Besides that, culture has in recent history come centre-stage not only for its competitive power but its role in cooperation between countries and peacebuilding. It has an important role in conflict prevention as well as post-conflict reconciliation. Concepts of cultural diversity, cultural pluralism, multiculturalism, transculturalism and interculturalism have been in the focus of a number of international policies and initiatives (e.g. Universal Declaration on Cultural Diversity, Convention on the Protection and Promotion of the Diversity of Cultural Expressions, Council of Europe White Paper on Intercultural Dialogue). Mutual understanding is the basis of conflict prevention and the role of cultural diplomacy is seen in the promotion of understanding, friendly relations, intercultural dialogue, exchange and peace within the framework of cosmopolitan constructivism.⁶ Cultural diplomacy has the ability to influence public opinion, having impacts on realisation of its main principles: respect for and recognition of cultural diversity and heritage; intercultural dialogue; justice and equality; human rights protection; as well as peace and

1 UNCTAD 2018; Boix-Domènech and Rausell-Köster 2018; KEA and PPMI 2019.

2 Kang 2013.

3 Petersen 2013.

4 Mornah and MacDermott 2016, 69.

5 E.g. Throsby 2010; Flew 2013.

6 Kang 2013; Villanueva Rivas 2010, 46.

stability.⁷ This points to the importance of culture in international relations since “public diplomacy is not really about getting in the press. It’s about long-term engagement.”⁸

The European Union (EU) still does not have a Strategy for International Cultural Relations, but a proposal for its development has been put forward already in 2016. The rationale behind it is the promotion of “international cultural relations based on long-term engagement, mutual interest and understanding, people-to-people contacts and co-creation.”⁹ The objectives of such a strategy aim at unlocking the potential of culture for sustainable social and economic development; promotion of peace and fighting radicalisation through intercultural dialogue; and strengthening cooperation on cultural heritage.¹⁰ Guiding principles of this future Strategy encourage a cross-cutting approach to culture advocating, among other, also its economic dimension (e.g. through tourism and creative industries) while perceiving culture as a key concept in sustainable development as well as reconciliation.¹¹

In the absence of an EU Strategy for International Cultural Relations, the EU ensures its relations through other policy documents, and culture is silently part of them. The EU bases its external relations on diplomacy while respecting international rules and its main principles are preserving peace; strengthening international security; promoting international cooperation; and developing/consolidating democracy, the rule of law, and respecting fundamental freedoms and human rights.¹² These principles are operationally implemented through a network of EU delegations and offices within the EU’s diplomatic service¹³ but are also a constituent part of its funding instruments. In this line, EU development and cooperation policy provides funding for projects addressing peaceful, just and inclusive societies as well as those advocating partnerships. This is true for cooperation projects on three levels: 1) cooperation between the EU and third countries, as part of the EU foreign policy; 2) cooperation among EU countries; and 3) cooperation of EU countries with accession and potential candidate countries within the EU enlargement policy. To illustrate, in the period 2014–2017, via various geographical instruments,¹⁴ different security-targeted projects were funded in the amount of EUR 6.9 billion.¹⁵ In the same line, the partnership is especially advocated within the EU migration policy

7 Institute for Cultural Diplomacy n.d.

8 Schneider 2006, 195.

9 UNESCO Diversity of Cultural Expressions n.d.

10 European Commission n.d. b.

11 European Commission 2016.

12 European Union n.d.

13 European External Action Service – EEAS.

14 European Development Fund (EDF), African Peace Facility (APF), EU Emergency Trust Fund for Africa (EUTF), Development Cooperation Instrument (DCI), European Neighbourhood and Partnership Instrument (ENPI).

15 European Commission n.d. a.

where mutual interest and dialogue with partner countries is put forward, although with questionable success in the implementation phase.¹⁶

Further on, cooperation among EU countries is at the core of the very existence of the EU, which is put forward through the European Territorial Cooperation, ensuring work towards common goals for a common European space.¹⁷ Finally, the cooperation of EU countries with accession and potential candidate countries was in the period 2014–2020 ensured through the Pre-Accession Assistance (IPA) cross-border collaboration programmes (EUR 242 million earmarked). Besides, there are other programmes, e.g. Creative Europe, which specifically encourage cooperation in the cultural sector. The latest call¹⁸ focused on strengthening cultural cooperation in the Western Balkans with priorities of increasing transnational circulation of cultural and creative works and transnational mobility of cultural and creative players and enhancing intercultural dialogue between artists, cultural operators, as well as the general public.¹⁹

All these programmes focus on mutual understanding and cooperation, which is to be ensured through social, economic and territorial development. Cooperation, in this way, has measurable outputs, which consequently brings also beneficial outcomes. Economic and territorial development often ensures and is seen as a strong predictor of cooperation between bordering countries, especially in the territories with war history, such as ex-Yugoslavia, while culture provides a relatively easy “entrance” given the shared history and cultural values of those nations, opening different windows of opportunity for various layers and types of collaboration.

Due to all the reasons mentioned above, the post-conflict regions become an excellent ground for cultural policies to play an important role in consolidation and democratisation processes, in particular at the disposal of the EU. They start performing as an integrative part of the wider scope of its policies with multi-layered impact, hence promoting cultural policies into a very important factor. This article is methodologically grounded on the economic peace theory, using the Conflict Management and Mitigation Matrix (CMM) as a tool. It focuses on Croatian – Serbian relations analysed through specific cultural projects, looking at their impact through the lenses of the economic peace theory.

The structure of the paper is the following: it first introduces functional relations between culture and conflict and provides theoretical grounds for the economic peace theory; then

16 Namely, the migration crisis has clearly shown EU’s deficiencies in its attempt to find a common solution. Some member states in particular have opposed the “quota system”, while others struggled to manage societal consequences of an uncontrolled influx of migrants.

17 So far ensured through four policies: the EU Strategy for the Baltic Sea Region, the EU Strategy for the Danube Region, the EU Strategy for the Adriatic and Ionian Region, and the EU Strategy for the Alpine Region.

18 EACEA 39/2019.

19 Creative Europe 2019.

it analyses current trends in the field of international cultural relations between the two states; further, it looks at the empirical evidence from the analysis of an EU cross-border programme (Interreg IPA CBC Croatia – Serbia 2014–2020); and finally, it offers conclusions. By introducing a relevant new set of indicators in the frame of the Conflict Management and Mitigation Matrix, the article analyses the possible change in international relations between the communities/states. It provides an added value to critical assessment and evaluation of their effectiveness and impact, providing recommendations for the period to come.

Relations Between Culture, Economy and Cooperation

Culture and conflict, as two distinct phenomena, are logically related and strongly interconnected. While it would perhaps be an exaggeration to claim that the one directly depends on another, there are strong bonds between the two, especially in the conflict-resolution process. Adda R. Bozeman recognises that “conflicts may have more enduring roots in ethnic and religious culture than in the quarrels of nation-states over issues of relative standing in the international political order.”²⁰ As per Douglas Fry, “conflict and conflict resolution are cultural phenomena. The way that conflicts are perceived and handled reflect a culturally shared set of values and beliefs. In some societies, the emphasis is on punishing the wrongdoers, but in many cultures, conflict management hinges upon repairing strained or broken relationships.”²¹

The EU itself takes the cultural aspect of conflict-resolution very seriously in its attempts to promote peace-making in its neighbourhood as an “essential aspect of the EU’s external action.”²² The preferred means to promote these objectives is through what EU institutions commonly refer to as “constructive engagement.”²³ Constructive engagement is the use of a wide range of diplomatic, economic, social, cultural and military instruments, normally deployed through contractual arrangements with third countries.

In practical terms, the power of culture in conflict resolution, stimulating peacebuilding and cooperation has been documented by numerous projects globally.²⁴ Culture has many facets which could address reconciliation and cooperation, either through contemporary, traditional, popular culture, cultural industries or heritage. As to be able to grasp wider communities in the reconciliation process, popular culture and cultural heritage may be most suitable since they are widely understood and shared. Alongside, apprecia-

20 Bozeman 1976.

21 Fry and Bjoerkwist 1997.

22 European Commission 2004a, 3.

23 European Commission 2001, 8–9; 2003, 11.

24 *Border Kitchen*, a reconciliation project between Greek and Turkish communities in the Cypriot Nicosia’s bordering region through gastronomy as a shared way of life (Smith 2020), or *The Shadow King*, an Aboriginal theatre play using the Shakespeare’s *The Tragedy of King Lear* to resolve conflict between families over mining rights (Jelinčić 2017) are examples of such projects.

tion of cultural heritage usually comes with its economic valorisation. Bearers of cultural heritage, unfortunate as it is, often see its value (only) when it can be economically assessed, be it for the purpose of entrepreneurship development, through cultural tourism or cultural/creative industry-related activities. A number of examples are available globally, which prove rise in such activities, whereas valorisation of heritage through cultural tourism has in some cases (e.g. Venice or Dubrovnik) led to its over-exploitation and even to its demise. However, economy-driven cultural (heritage) projects prove to engage communities since they result in direct economic benefit for the same community.

In the same line, cooperation between conflicting communities is often facilitated and sometimes ensured, if economic interests of both sides are evident. As Selby argues, “economic liberalisation reduces barriers to the movement of goods and capital, increases levels of international trade and investment, deepens global interdependencies and, in turn, inspires a transformation of state and societal interests away from war towards commerce and peace.”²⁵ According to such arguments, there is a clear positive correlation between economic integration and peaceful inter-state relations. “If this applies primarily at a global level, a second strand of liberal thinking – functionalism – is explicitly regional in emphasis. According to functionalists, regional cooperation on relatively insignificant ‘low political’ issues can create patterns of mutual interest and trust which will eventually ‘spillover’ into the ‘high political’ arena, nurturing both bilateral peace settlements and regional economic and political integration.”²⁶ Similarly, Distler, Stavrevska and Vogel argue that disregarding socio-economic aspects of peace and how they relate to people’s everyday lives leaves a vacuum in our understanding of peace, particularly a just and sustainable peace, and the formation of post-conflict economies.²⁷

Thus, the economic peace theory sees a direct link between peace/conflict prevention and economy. As Distler, Stavrevska and Vogel put it, “economic interdependence is conducive to peace because economic cooperation between private actors may generate national economic interest.”²⁸ Implementation and aims of this theory are twofold and can be regarded at the macro- and micro-economic levels, the first one depending on decision-making and reforms, while the second one engages the private sector in collective action.²⁹ Besides governmental and private sector, peacebuilding and cooperation build on the civil society actions. Their activities usually focus on bottom-up economic, social and cultural cooperation, which in turn, ensure stability. However, types of activities do not necessarily focus on peacebuilding; it is rather an effect of the stakeholder cooperation. While different cultural and social types of activities may impact conflict resolution, the economic component is by far most effective, as advocated per the economic peace

25 Selby 2008, 14–15.

26 *Ibid.*, 15.

27 Distler, Stavrevska and Vogel 2018, 139.

28 Bijaoui 2014.

29 Killick, Srikantha and Gündüz 2005.

theory. This approach has also been taken within the EU, and some authors even suggest greater EU aid in this respect.³⁰

As to ensure effective cooperation between conflicted communities, it is often not enough, however, to stimulate economic cooperation, as per the top-down approach. Some prerequisites in terms of general security and community readiness have to be present, alongside knowledge in regional cooperation.³¹ If so, the application of effective communication in line with enabling political environment may be applied to build on community cooperation and help sustain it. Required change towards community readiness to resolve any conflicts and cooperate has been studied within theories of change³² since they provide measurable indicators of effective methods. One of the theories of change developed with that aim is the Conflict Management and Mitigation (CMM) providing a matrix of stages that need to be followed in order to achieve a change. There are seven stages within the process: Inside-Out Peacebuilding, Attitudes toward Peace, Healthy Relationships, Peace Process, Functioning Institutions, Reform the Elite, and Coming to Term with the Past.³³ Each stage is divided into specific topics based on the assumption why it assures change alongside expected results. As this matrix served as the basis for the research it is further presented in Table 1. which has been somewhat adapted for its application to cooperation programmes.

Inside-Out Peacebuilding			
Theory	Statement	Description	Expected Results
Shifts in Consciousness	Constructive shifts in consciousness by individuals lead to their commitment and capacity for intercultural cooperation and increased number of projects.	The theory focuses on transformative experiences, which can alter an individual's understanding of him/herself and relations to others and dynamics of conflict resulting in a greater individual capacity and commitment to leading to cooperation.	Seeing the "other" in a more positive way, feeling respect towards the "other".
Common Complex Identities	Discovered shared values provide a basis for intercultural cooperation and increased number of projects.	The theory suggests groups of individuals discover values (e.g., peace, justice, ethics) they share, which can generate an inclusive, deep, often spiritual connection and overarching inclusive group identity.	Increased number of shared values among the groups.
Attitudes Towards Peace			
Key Actor Attitudes	Changed key actor attitudes increase possibilities for intercultural cooperation and likelihood for peace among the groups.	The theory aims to alter the way key actors evaluate the benefits and costs of negative attitudes towards "the Other"; either persuading them that costs of negative attitudes outweigh the benefits or, alternatively, that positive attitudes lead to cooperation.	Established grounds for intercultural cooperation.

30 Malagurski 2008.

31 *Ibid.*

32 OECD 2008; Shapiro 2006; Lederach, Neufeldt and Culbertson 2007.

33 Allen Nan 2010.

Mass Attitudes	Changed critical mass' attitudes impacts the increase of intercultural cooperation projects.	The theory focuses on changing the mass negative perceptions/attitudes.	Increased number of new projects.
Culture of Peace	Cultural, media and education resources can have impact on people's changing attitudes, which fosters international relations in general.	The theory focuses on fostering a cultural shift from negative to positive approaches (by leveraging education, mass media, arts, and culture resources).	Enhanced international relations between wider communities.
Healthy Relationships			
Community-Based Peace-building and Building Bridges	Interaction of groups enhances mutual understanding, appreciation and contributes to increased cooperation.	The theory addresses divisions within a community (e.g. ethnicity, religion, or status as a returning ex-combatant, displaced persons, or refugee) aiming to create opportunities for interactions and to promote mutual understanding and positive attitudes.	Increased understanding, respect and cooperation.
Peace Process			
Multi-Track Diplomacy	Support from regional, national and international institutions has lasting effects on cooperation established on a grassroots level.	The theory advocates several levels of diplomacy to support cooperation (civil society, business, religious, academic and other non-governmental sectors, grassroots-level leaders since they can contribute constructive ideas to the lasting effects of cooperation.	Sustainability of good relations and cooperation.
Functioning Institutions			
Economics	Economic benefit of the project increases cooperation.	The theory focuses on improving the economy and economic institutional performance.	Increased number of cooperation projects.
Politics	Efficient and impartial support by political institutions increases cooperation.	The theory focuses on improving institutional performance since it provides an opportunity to affect public decision-making.	Increased number of cooperation projects.
Media	Diversity and independence of media institutions impacts good practice promotion and consequently increases cooperation.	The theory advocates the plurality of the media to be used in order to avoid exclusion if there is a domination of one media.	Increased number of positive news and increased number of cooperation projects.
Dispute Resolution/Inclusive Networks	Participatory planning/decision making, and inclusion of marginalized social groups promotes intergroup cooperation and problem solving.	The theory focuses on the roles that segments of the population can play in cooperation and advocates participatory approaches.	Early conflict resolution.
Reform the Elite			
Elite Inclusion	Inclusion of elite in cooperation projects positively impacts conflict resolution, promotes peacebuilding and increases cooperation in general.	The theory advocates (political) elite inclusion since cooperation on the state level comes when it is in the interest of political (and other) leaders to take the necessary steps.	Decreased number of conflicts and increased cooperation between groups.

Coming to Terms with the Past			
Reconciliation	Common interest in cooperation and engagement in the process of reconciliation lead to healthier relationships and shared futures.	The theory acknowledges that reconciliation is a process and is critical to strengthening social resilience to renewed violence.	Sustainable common projects.

Table 1: USAID/DCHA/CMM³⁴

As previously mentioned, a number of EU programmes provide financial incentives to cooperation projects, which should consequently also have an impact on stability and peaceful dialogue among communities. This ensures an incentive both on a macro-economic (support to state-level institutions which should enable stable political climate for reconciliation) as well as on micro-economic level through direct support to local private/civil society actors, as per the economic peace theory. If not specifically designated to reconciliation topics, however, projects funded under those programmes may fail to perform step-by-step reconciliation process, as the CMM matrix proposes. On the other hand, the common case is that communities engage in partnerships, if not because they are eager to come to term with the past and achieve reconciliation and peace, then because there are available funds for project development. Even this shameful rationale for the establishment of partnerships, however, may be utilised to enable peaceful and potentially economically and socially viable cooperation. This may consequently, although not intentionally lead to conflict resolution, yield mutual understanding and promising future for all.

Cooperation Between Croatia and Serbia

The military conflict in the period 1991–1995 led to disrupted political relations between Croatia and Serbia. The war narrative is continually present in the public political discourse and generally serves as election leverage for nationalist parties in winning their voters. In both countries, in the last decade, the political scene has witnessed the return of right-wing oriented nationalists, which has critically been judged as a retrograde course since they reinforce mutual hostility.³⁵ A compromised vision on recent regional political and security trends is barely feasible, while details and figures from the conflict in the 1990s are often distorted in the political discourse on both sides. This is sometimes accompanied by media discourse. Both Croatian and Serbian media analysis done in 2018 has shown that although there are two types of media discourse, nationalist and antinationalist, the former is dominant and uses strategies of trivialisation, confrontation and

34 United States Agency for International Development (USAID), Bureau for Democracy, Conflict, and Humanitarian Assistance (DCHA), Office for Conflict Management and Mitigation (CMM). Theories of Change Conflict Management and Mitigation matrix applied to cooperation programmes. Source: Adapted by the author, based on Susan Allen Nan 2010.

35 Drašković 2018.

oblivion. At the same time, there is no strategy in media presentation of cooperation of the two countries, rather individual opinions of journalists are taken as a credible approach.³⁶

Economic Cooperation

When it comes to concrete projects which could ensure (economic) benefit, this political narrative turns in a totally different direction, and economic data prove cooperation between the two countries. Thus, for example, in 2018, the total trade exchange between Croatia and Serbia was EUR 1.24 billion, whereas five years earlier, in 2013, it amounted to EUR 688.2 million. This means that in the period of five years, the exchange has practically doubled. In 2018, Croatia exported goods and services in the value of EUR 636.5 million to Serbia and imported goods and services in the value of EUR 600.1 million.³⁷

Besides trade, an important exchange occurs in the tourism sector: in 2018, 138,349 tourists from Serbia visited Croatia whereas, in 2017, there were 122,881 of them, which is an increase of 12.6%. Overnight stays in 2018 amounted to 592,519 nights and in 2017 to 511,813 also showing an increase.³⁸ This means that Serbian tourists are not just day visitors but stay in Croatia for 4.3 days on average. Moreover, most (37.5%) Serbian tourists visited Croatia for more than six times.³⁹ Tourism, thus, proves to be independent of the tense political relationships between Croatia and Serbia. As for the day visitors, although no exact numbers exist, it is evident that hundreds of Serbian citizens visit Croatia daily, especially in the border areas. This is especially the case for shopping malls (e.g. Portanova, the largest in Slavonia). The same is confirmed for Croats visiting Serbia on a daily basis, either for shopping or for tourist reasons. In 2018, the number of arrivals of Croatian tourists in Serbia was 93,953, and the number of overnight stays was 176,944. When comparing to 2017, this number has been increased by 16%.⁴⁰ Although the numbers may not seem large, overall, Croatia is the fourth Serbian tourist market.

The data provided by the Croatian National Bank are also instructive: in the period 1993–2018, Croatia invested in Serbia EUR 801.8 million, Serbia being the fourth country on the Croatian foreign investment list. The same, however, cannot be confirmed for Serbian investments in Croatia, which have been on the level of EUR 1 million,⁴¹ occasionally sparking different interpretations in political and entrepreneurial circles.

Relatively good economic cooperation between the two sides can be related to many particularly relevant elements: recognisability of products and services related to the narra-

36 *Ibid.*

37 Mikulić 2019.

38 Croatian Bureau of Statistics 2019.

39 Bralić 2018.

40 Statistical Office of the Republic of Serbia 2019.

41 Mikulić 2019.

tive about common past, easier access to markets and customers due to the geographic proximity and absence of language barrier, comparable habits and requirements of customers from both sides etc. Another, less appealing reason, could be hidden in the low level of competitiveness of both economies at the desired “western markets”, which has to be compensated by acquiring a larger share of the markets that are more accessible.⁴²

In the same line, the EU funds have opened new doors for cooperation between Croatia and Serbia: economic issues have been given priority over security ones which should ensure regional cooperation goal.⁴³ The available data prove no obstacles to cooperation. Thus, in 2019, only in the Osijek-Baranja County, fifty projects have been developed in partnership with Serbia.⁴⁴ The same goes for projects in the area of cultural tourism: in 2013, and as one of the first activities based on the EU Strategy for the Danube region, Croatia and Serbia started cooperating on cultural tourism routes, namely “the Roman Emperors’ Route” and “the Danube Wine Route.”⁴⁵ Even before that as well as today, a number of other cultural tourism routes have been established in which Croatia and Serbia cooperate, to name just the ones certified by the Council of Europe, e.g. “the Iron Curtain Trail”, “the European Route of Industrial Heritage”, “the European Cemeteries Route”, “the Iter Vitis Route”, and “the European Route of Jewish Heritage”. Regional cooperation between the two countries has also been detected in creative industries and cultural tourism clusters which established a common platform⁴⁶ to ensure the efficiency of their work.⁴⁷

The relevance of economic factors in cooperation is also confirmed by the fact that more than 200 Croatian companies are present on the Serbian market. The “eternal economic interests” between the two countries are confirmed in the words of the President of the Croatian Chamber of Economy, as it is in the “common interest to investigate new business opportunities and to strengthen relationships,” according to the former Croatian President.⁴⁸ The same messages are heard from the Serbian side whose President claims that the economic cooperation between Croatia and Serbia has substantially increased.

While economic pragmatism, driven by the aforementioned factors, seems to be driving the economic relations to relatively calm and fruitful waters, the political relations trail significantly. This is mainly due to the fact that bilateral relations are still heavily burdened by the turbulent past, conflicting regional interests and political elites that build their

42 This has been slightly reduced with Croatia’s accession to the EU (single market), which complicated the situation for the Serbian exporters, but not significantly.

43 Turuk and Mačkić 2015.

44 Mikulić 2019.

45 Culturenet 2013.

46 Within Ecorural net cluster network for ecological and traditional production, and rural tourism in the Southeast Europe.

47 Ćurčić, Vukosav, Garača, and Bjeljac 2015.

48 Croatian Chamber of Economy 2018.

narratives on the exclusive concept of “we-ness” that neglects rights and interests of “the other”, especially in the election campaign period. Lack of democratic political culture intensifies the conflicting narratives and additionally reduces manoeuvring space for the actors that could potentially provide solid ground for sustainable improvements.

So, despite these encouraging numbers, political relationships are still very poor, and other solutions for enhancing these relationships are sought for. Croatian political analyst, Davor Gjenero holds that interest groups, such as the Chambers of Economy, can be much more effective in building the relationships than the state. Civil society stakeholders should be relied on rather than political institutions in achieving good relations.⁴⁹

Cultural Cooperation

When it comes to cultural cooperation of Croatia and Serbia, it is, especially in the public discourse, seen as satisfactory. Occasionally, one can notice that the local political discourse uses strong words in describing this cooperation (excellent, extremely intense, deep). However, it is not clear what it entails. Media are overwhelmed with trivial facts of “cooperation” of cultural celebrities of one country marrying celebrities of another country, thus spectacularly reporting on individual case levels. On the other hand, cultural policy topics, which really matter, are deviated or invisible,⁵⁰ and the tensions still exist. Although there is a cultural exchange, it is rarely a result of official (cultural or external) policies but of initiatives undertaken by colleagues.⁵¹ As per the research conducted by the Creative Europe Desk Serbia (2017) with the aim of defining common policies for the development of the region, the lack of interest by governments to enhance cultural cooperation between the two countries is detected as the greatest obstacle alongside confronting interpretation of history, global politics and circumstances as well as lack of interest by cultural professionals themselves. This confirms the inadequacy of cultural policies as well. On the other side, the potential for stronger cultural cooperation is seen in the exchange of skills and knowledge, partnership and co-productions, market and audience development, internationalisation, and cultural tourism.

Concrete data show that in 2018, Ministry of Culture of the Republic of Croatia financed 40 Croatian cultural projects from different cultural sectors (performing arts, exhibitions, publishing/libraries, music and mixed projects) which included some kind of cooperation with Serbia in a total amount of EUR 40,458. On the other hand, in 2019, the Ministry of Culture and Information of the Republic of Serbia financed different cultural cooperation

49 Mikulić 2019.

50 Drašković 2018.

51 Dragičević Šešić 2011.

projects in Croatia totaling EUR 88,180.⁵² Locally, there is some cultural cooperation of Croatia and Serbia, but evidently less than in the times before democratic changes. Back then, city twinning was common for bigger cities but also smaller towns whereas today, only two Croatian cities, namely Vukovar and Osijek, have their twin counterparts in Serbia, Bač and Subotica respectively.⁵³ The common socialist “brotherhood and unity policy” has been silenced and city twinning has shifted to other geographical areas, either to other cities in the country or their European counterparts.⁵⁴ Most of today’s cooperation programmes are subject to direct agreements between cultural institutions, civil society organisations and individuals.⁵⁵

Current Minister of Culture of the Republic of Serbia sees cultural cooperation of the two countries as excellent, which primarily relates to cooperation with the Ministry of Culture of the Republic of Croatia. However, as much as the cultural exchange among institutions is intense, in the words of the Serbian Minister, there is a potential for its advancement, and Serbian side is open to suggestions.⁵⁶ The greatest obstacle for political cooperation between the two countries is the unresolved return of national treasures on both sides, that had been initiated through an institutionalised co-operation between expert committees of ministries of culture of two states, which remained locally with the outburst of war circumstances. Paradoxically, part of national treasures has been returned, which is seen as an act of goodwill but does not solve much bigger (political) problems, such as the information on missing persons from the military conflict in the 1990s and the return of expatriated people. Cultural treasures, thus, seem to be political leverage for solving these problems as in when-people-are-back-so-will-be-the-treasure. In the Serbian media space, the topic of cultural treasures has been reduced to official oblivion and can be explained by “shameful silence.”⁵⁷

Cooperation between Croatia and Serbia has also been enabled through EU funding programmes. Opportunities offered through these programmes are generally seen as great cooperation potential by cultural professionals in the Western Balkans.⁵⁸ The programme which directly focuses on the enhancement of cross-border cooperation between the

52 The data was provided via personal communication of the author with the Ministry. The amount, however, partly involves projects financing Serbian community in Croatia while it does not include cooperation projects performed by cultural institutions which, as claimed by the Ministry, have the greatest share of cooperation projects with Croatia.

53 Wikipedia 2020.

54 Župan 2014.

55 Besides that, both Croatia and Serbia financially support different cultural programmes of their own ethnic communities living abroad (Croatia supports Croatian communities in Serbia and *vice versa*). These, however, cannot be considered as conflicting communities so this type of cooperation is not analysed in this paper.

56 Beta 2018.

57 Drašković 2018.

58 Creative Europe Desk Serbia 2017.

two countries is the Interreg IPA Cross-border Cooperation Programme Croatia – Serbia 2014–2020. Although peacebuilding, conflict resolution, mutual understanding and intercultural dialogue is not directly implied, its objective of strengthening social, economic and territorial development of the cross-border area can potentially contribute to it. Economic cooperation, as per economic peace theory, generates national interest for both sides. Priority axes in this Programme, among others, focused on the development of tourism and cultural and natural heritage preservation. As these border areas have no other major tourism resources, the focus of practically all so far funded projects under the priority axis 3 was on cultural tourism since each border region has cultural and heritage resources/attractions. This, at the same time, affects preservation of cultural heritage, which is in turn valorised through economic effects it brings through related tourism activities.

Four counties on the Croatian side (Osijek-Baranja, Vukovar-Srijem, Brod-Posavina and Požeško-Slavonia) and five districts on the Serbian side (North Bačka, West Bačka, South Bačka, Srem and Mačva) are covered by the programme,⁵⁹ which equals 25,505 km² and 2.3 million people.⁶⁰ The geographical area covered by the programme is presented in Figure 1.



Figure 1: Interreg IPA CBC Croatia – Serbia geographical coverage⁶¹

59 In total, nine NUTS III regions.

60 Interreg IPA CBC Croatia – Serbia n.d. a.

61 Source: Interreg IPA CBC Croatia – Serbia n.d. a.

Within the 2014–2020 period, the programme ensured EUR 7,544,500 from the EU, which together with the national counterpart of € 1,331,383 amounted to the total funding of EUR 8,875,883. This was distributed among six projects in the first call⁶² and four in the second one.⁶³

Empirical Analysis

Research presented in this article included analysis of the projects funded under both calls of the Interreg IPA CBC Croatia – Serbia 2014–2020 programme falling into priority axis 3: contributing to the development of tourism and preserving cultural and natural heritage.

This programme has been selected as a case study since it directly focuses on the cross-border area of the two countries where post-conflict reconciliation is needed. As the programme largely focuses on culture, the reconciliation process could have been measured against these cultural programmes. Projects funded under this instrument include a number of stages inherent to the Conflict Management and Mitigation matrix selected as a referent model, which served as the basis for selecting it as a case study programme. It may serve as a representation for other Interreg programmes irrespective of the countries whose cross-border cooperation is funded. However, representation of other financial instruments for culture may be further investigated since they possibly entail different aims, cooperation stages and types of projects. At this stage, it was impossible to measure the Croatian-Serbian trade and tourism against the Interreg programme since it requires a longer period to see the effects. Rather, the programme was selected as a context providing economic benefits to those involved in the creation of new cross-border cultural products/services, while providing a possibility for post-conflict reconciliation. Thus, the focus was rather on researching the process of post-conflict reconciliation building than on measurable effects of trade exchange and tourism development. It is without question, however that in due time, it will be possible to measure also these indicators since the created products/services need some time to “root in”, develop their audience and thus, produce direct economic benefits.

The aim of the research was to detect if this type of economic support to communities enhances their social relations in terms of better understanding and intercultural dialogue promotion, potentially leading to long-term peaceful and mutually beneficial relations. It was not about claiming that post-conflict reconciliation is assured; rather, the aim was to see if financial injections “open doors” for cooperation and only eventually to post-conflict reconciliation. Thus, the research was based on the assumption that international relations can be enhanced, both at the community and the state level if there is an eco-

62 Central Danube Tour, Explore CRO-SRB, HORIS, S.O.S., ViCTour, and VISITUS.

63 FILMHARMONIA, Pannonia Gourmet, Panona net, and Wild Danube. Tour Interreg IPA CBC Croatia – Serbia n.d. b.

conomic component involved. Apart from its scientific contribution, the research can add to the programme evaluation as it detects if the funds invested, besides having an impact on strengthening social, economic and territorial development, also affect cross-border community relations, which was an implicit objective of the IPA CBC Croatia – Serbia programme. Effectiveness, efficiency and impact of the Programme are normally carried out by performing Programme evaluations, which involve both ex-ante as well as ex-post activities. While ex-ante evaluation showed “adequate actions relating to the promotion of sustainable development,”⁶⁴ which promised future cooperation between the communities as well as implicit cross-border relations, ex-post analysis is yet to be done after the end of the Programme. This research does not focus on evaluation itself but may be considered an added value to the expected ex-post evaluation. The importance of the Programme is seen in the decision already been made that it will continue in the financial period 2021–2027, which can also be interpreted through the need for keeping the area stable for the future EU enlargement.

Research questions were the following: Did cooperation within the project alongside institutional economic support changed attitudes towards the “other”, ensuring the basis for sustainable intercultural cooperation and future cooperation on new projects? Can grassroots cooperation projects contribute to the enhancement of overall international relations of the two countries?

As mentioned, the assumption was grounded on the economic peace theory, namely on the Conflict Management and Mitigation Matrix, which was adapted for this purpose.⁶⁵ The adapted CMM matrix applied to cooperation programmes (see Table 1.) served as the basis for survey development. The survey consisting of 10 questions covering seven main steps and relating sub-steps in the CMM process was sent out by e-mail to respondents who participated in the nine projects funded by the Interreg IPA CBC Croatia – Serbia 2014 – 2020 programme under priority axis 3. In total, fourteen responses were collected, which were then analysed against the adapted CMM matrix to draw conclusions. The relatively small number of responses may be considered as a limitation to the research but still shows a trend since projects were represented by the directly involved knowledgeable persons.⁶⁶ The survey questions were designed in a way to measure attitudes of respondents before entering the project and upon the project end in order to be able to measure the possible change in attitudes.

64 Dvokut ECRO 2015, 45.

65 The concept of “peacebuilding” was replaced with “cooperation” and expected measurable results were specifically developed for the purpose, as indicators which is consistent with the EU methodology of ex-post analysis.

66 When conceptualising the research, it was impossible to predict the response rate. Other methods could have been more appropriate when dealing with a relatively small number of respondents, such as focus groups or semi-structured interviews. As focus group was difficult to be organised due to a number of reasons (e.g. lack of motivation by participants, professional obligations preventing them to participate in further research, beginning of the COVID-19 crisis), the authors dealt with the received responses.

Survey responses were collected in February and March 2020. At that time, six projects funded under the 1st Call have been completed and three analysed projects funded under the 2nd Call were still being implemented although at the final phase. This fact enabled to research the sustainability of cooperation between communities only for the projects funded under the 1st Call. Being at the final phase of implementation, it was possible at least to predict future cooperation for the projects funded under the 2nd Call.⁶⁷

Responses and Findings

All respondents claim not to have had prejudices on the “other” before starting the project. In the same line, when it comes to common complex identities, all of them detected shared values. Thus, the analysis shows that Inside-Out Peace Building component of the matrix is well established: there was no need for major shifts in consciousness since respondents have already entered into collaborative agenda by participating in the project, with no nation- or identity-related perceptual obstacles which would burden such cooperation. This potentially means that they either did not have any prejudicial attitudes towards the “other” or that they put them aside since the projects open financial (and other related) benefits for both sides. Further on, common complex identities were found to be similar, and shared values showed no stereotyped prejudices. Detected shared values can be divided into three groups: work-related,⁶⁸ economy- or society-related,⁶⁹ and general values.⁷⁰ This leads us to a conclusion that if the focus is on a project of common interest, especially if it brings economic benefits for all, possible differences and prejudices can potentially be bridged. Although all respondents claimed not to have had prejudices towards the “other” before starting the project, one response, however, showed that there might have been hidden awareness of possible misunderstandings, but a solution was seen in common work and cooperation on it.

These results show that understanding, respect and cooperation had already existed before the start of these projects, whereas the project contributed to their reaffirmation. This also contributes to the Healthy Relationships component of the matrix, which implies a more mature stage of societal relations between two sides. This opens a possibility for new endeavors, like the programme in focus of our research, to additionally strengthen existing bonds and open possibilities for additional improvements.

67 Lead partner of the Pannonia Gourmet project contacted the author directly stating the project’s non-participation in this research since the project was still ongoing and, for them, it was too early to evaluate the results.

68 It encompasses accuracy, information sharing, commitment, expertise, competency, success drive, cooperation, helpfulness, teamwork, cooperation in solving possible misunderstandings.

69 It is directly related to contribution to socio-economic development, contribution to cross-border cooperation, drive for enhancement of the environment we live in; development of innovations, the need for ideas/people/goods/money circulation on both sides of the border, cultural heritage preservation progress and positive change in general.

70 It is about acceptance, friendship, culture.

Further on, responses show that grounds for intercultural cooperation in the Attitudes Towards Peace component of the matrix exist since key actor attitudes increase possibilities for intercultural cooperation. Possible change in mass attitudes has been measured through a possible increase in intercultural cooperation projects. Majority of respondents claim that the project contributed to new cooperation (11) or, think that this type of projects can contribute to peacebuilding (1). Two respondents say that the project did not stimulate new cooperation but think that can potentially contribute to it. One respondent, however, thinks that, although the project boosted new cooperation, this type of project has no greater impact on peace between Croats and Serbs. Further on, the Culture of Peace component has been researched through the engagement of wider communities (e.g. via media promotion, education system), which would provide grounds for fostering bilateral relations in general. Since a negligible number of responses (1) shows the failure of projects in engaging wider communities, it can be concluded that projects have developed prerequisites for enhanced bilateral relations.

The Peace Process component of the matrix has been researched through the variable of multi-track diplomacy and was measured against the inclusion of decision-makers in the project or their awareness about it, which would possibly guarantee the sustainability of good relations and cooperation. Eight respondents claim that decision-makers were somehow involved, while six of them have no knowledge about it. This points to the need for projects to develop a greater awareness about the need to inform and engage decision-makers via various activities if the reconciliation narrative also in the political discourse is to be achieved.

The matrix component of Functioning Institutions has been measured by way of four variables: economics, politics, media and dispute resolution/inclusive networks. The economic benefit of the project has been assumed to increase cooperation between the communities and has been measured against new cooperation projects. This variable has been absolutely confirmed: all respondents claim to have continued or will continue their cooperation after the project completion. Five of them continued/will continue to work within the project while nine continued/will continue to work (even) out of the project scope.

In the same way, efficient and impartial support by political institutions was further assumed to increase cooperation and was partially confirmed by nine respondents who claim decision-makers' inclusion/awareness of the project. This variable may be widened by the fact that financial support for the project has been provided through EU financial instruments and administrative/technical support provided by the Managing Authority.⁷¹ Thus, further call, which is envisioned, maintains or increases cooperation since (financial) support is provided.

An assumption that diversity and independence of media institutions impacts good practice promotion and consequently increases cooperation was measured against the

71 Ministry of Regional Development and EU Funds of the Republic of Croatia.

increased number of positive news and increased number of cooperation projects. Both have confirmed positive correlations: all respondents claim that information about the project has been featured in the diversity of media and have all been positively coloured. Increased number of cooperation projects/attitudes has also been confirmed by all.

The fourth variable assumed that conflict prevention could be achieved if planning/decision making is commonly performed, and if marginalised social groups⁷² are involved. Prerequisites for conflict resolution have here been confirmed only by participatory planning/decision making (all respondents claim that the projects involved common decision making) but the inclusion of marginalised groups was claimed to be the case by less than half of respondents. This points to the need to insist on this priority within projects if peacebuilding is to be achieved.

The assumption that inclusion of elites in cooperation projects positively impacts conflict resolution, promotes peacebuilding and increases cooperation, in general, was the only variable in the Elite Inclusion component of the matrix and was to result in the decreased number of conflicts and increased cooperation between groups. However, the decreased number of conflicts which would be a direct result of the project was practically impossible to be measured since part of the projects was still being implemented. In addition, the survey measured if possible inclusion of elites in the project contributed to the overall enhancement of relationships between the two countries. Only three respondents claim this contribution, while eleven others have no knowledge about it. This may be a further guideline of the need to strengthen the elite inclusion in the cooperation projects with the aim of further promotion of peace and enhancement of relationships at a higher level.

The final component of the matrix, Coming to Terms with the Past included the variable of reconciliation. The assumption was that common interest in cooperation led to healthier relationships and shared futures and should result in sustainable common projects. The rationale for the common interest was provided in the financial interest both countries/territories have. The respondents were, therefore, asked to share their opinion if financial support can open doors for cooperation between Croatia and Serbia. All of them confirmed this statement.

As an illustration, Table 2. shows the level of compliance of the analysed projects with the criteria measured against the previously provided USAID/DCHA/CMM Theories of Change in Conflict Management and Mitigation matrix applied to cooperation programmes.

72 E.g. women, minorities, youth, elderly.

Inside-Out Peacebuilding		
Theory	Compliance	Results achieved
Shifts in Consciousness	✓	Good attitudes towards the “other” existing already before the start of the project, no need for greater shifts in consciousness needed.
Common Complex Identities	✓	Shared positive values between the groups detected (general, work-related, society- and economy-related).
Attitudes Towards Peace		
Key Actor Attitudes	✓	Key actor attitudes towards the “other” existing already before the start of the project, established grounds for intercultural cooperation.
Mass Attitudes	✓	Contribution to new cooperations.
Culture of Peace	✓	Engaged wider communities as a prerequisite to enhanced bilateral relations.
Healthy Relationships		
Community-Based Peacebuilding and Building Bridges	✓	Reaffirmation of the previously existing understanding, respect and cooperation.
Peace Process		
Multi-Track Diplomacy	Partially	Only partial awareness exists if the project reached various decision-makers.
Functioning Institutions		
Economics	✓	Increased number of cooperations.
Politics	partially and ✓*	Only partial awareness exists if the project reached various decision-makers but increased/new number of cooperation projects is to be ensured through new EU financial perspective support.
Media	✓	Increased number of positive news and increased number of cooperation projects.
Dispute Resolution/Inclusive Networks	Partially	Participatory planning/decision making achieved as a prerequisite for conflict prevention; inclusion of marginalised social groups only partially achieved.
Reform the Elite		
Elite Inclusion	Partially	Increased cooperation between groups but only partial awareness of the overall enhancement of relationships between the two countries.
Coming to Terms with the Past		
Reconciliation	✓	Affirmative opinions on financial support contribution to stability and prerequisites for sustainable common projects achieved.

Table 2: Success of IPA CBC Croatia – Serbia 2014 – 2020 priority axis three projects in achieving good relations and peacebuilding⁷³

73 CMM matrix measures this indicator by the following: Efficient and impartial support by political institutions increases cooperation. So, partially refers to partial awareness if the project reached decision-makers while ✓ refers to the increased no. of projects. Thus, the number of projects was (or will be) increased but not necessarily due to impartial support by political institutions (participants in the research were not substantially aware if it reached politicians).

Conclusion

A number of cooperation projects, as well as data on Croatian investments in Serbia or data on mutual trade, prove that economic cooperation between Croatia and Serbia is rather strong. Also, the tourism sector shows capacities to resist conflicting political discourse and continually grows in both countries. This serves as a strong basis for bilateral relations enhancement. On the other hand, although culture is generally seen as a strong promoter of cooperation between communities, in the case of Croatia and Serbia, history has shown that, in spite of the absence of language barrier, territorial and historical connections, culture has rather been the cause of the conflict instead of reconciliation.⁷⁴ Although good examples exist, they are rather individually than politically driven.

Croatia and Serbia have traditionally been mutually interdependent cultural markets with no language barriers for the circulation of cultural products. Cooperation has been especially silent during the war but has started with the introduction of available funding. Today, respective national institutions in charge provide funding for cultural cooperation, although in modest amounts. However, indicators of bilateral cultural cooperation on the local political level have been scaled-down: the number of city twinnings between Croatia and Serbia has dramatically dropped, which reflects both national and local bilateral relations policy. At the same time, elitist political discourse publicly evaluates cultural cooperation between Croatia and Serbia as an excellent one showing discrepancies from the reality of local policies. On the other hand, the number of grassroots projects is a subject to direct agreements between cultural institutions/organisations, proving that cultural cooperation exists independently from elitist policies.

The EU ensures substantial funds for cultural projects to promote cooperation and intercultural dialogue. When the economic component is added to a cultural project, thus ensuring sustainable territorial development, available funds increase as well as cooperation between communities or countries. Moreover, the economic component has been seen as a principal factor ensuring stability and cooperation, as per economic peace theory. The EU funds specifically provided to foster cooperation between the two countries prove to be an effective enabler of cooperation. Analysis of the attitudes of participants in the cross-border cooperation projects in this research showed that no prejudices between the groups existed which may be due to common culture and previously shared values, while even no existing language barriers may be important for starting cooperation projects between Croatia and Serbia. Once the project starts, shared values are only reaffirmed and are always positive. Thus, prerequisites for further consolidation and cooperation between groups exist. However, as much as individual and local cross-border cooperation is strong, a wider impact of those good practices is still not sufficiently known.

The results of our research point to three main issues which should be considered in activities designed to promote good relations and stability. First, the need for a stronger

74 Vujadinović, cited in Drašković 2018.

inclusion of marginalised social groups (e.g. minorities, women, youth, elderly people, people with disabilities, etc.) which are somewhat ignored. Second, the need for (results of the) projects to reach decision-makers as to guarantee the sustainability of good relations and cooperation. Finally, the need for elite inclusion in the projects in order to increase cooperation between groups by applying local good practice examples of relations between countries on a higher level.

Although the analysed EU funds are primarily focused on enhancing cross-border cooperation and not necessarily on the long-term consolidation of relations between the two countries, which may be seen as an indirect outcome of the funded projects, they mostly proved to be effective even on this indicator. Notwithstanding that history showed differently, shared cultural values can be a strong prerequisite for starting cooperation projects, which is confirmed by a number of projects financed on the national level involving different cultural activities with cultural operators of the “other”. Also, the analysis of cross-border cooperation programme between Croatia and Serbia 2014 – 2020 confirmed the important role of culture in cooperation projects and the common need for cultural heritage preservation, which leads to further territorial development. Therefore, there is also a strong economic component to project-based cooperation between the two countries. National funding programmes ensure supporting resources which may potentially be an additional motivation for cooperation. Different EU funding programmes provide much larger assets, thus possibly acting as an even greater motivational cooperation factor. This has been confirmed by the analysis of cross-border cooperation programme between Croatia and Serbia 2014 – 2020. Funding has a large influence on the perception of shared values, functioning of institutions and reconciliation. Shared values have proven to be measured, among other, by way of economic benefits (e.g. economic development; enhancement of the environment and citizens’ standard of living; innovations; the need for ideas/people/goods/money circulation on both sides of the border; progress and positive change in general). Further on, available institutional funds have an impact on the increased number of forms of cooperation. And finally, financial support to cooperation projects is strongly thought to be in direct relationship with good relations, the culture of peace and reconciliation.

As to conclude and to answer our research questions, we showed that there was no need for greater changes in attitudes of participants in the projects towards the “other” since positive perceptions already existed before they entered the cooperation project.⁷⁵ Moreover, cooperation itself helped in the reaffirmation of those positive attitudes, which was backed by common economic benefits. This fact is a prerequisite for sustainable bilateral cooperation and for future cooperation on new projects. It was not possible to prove the contribution of grassroots cooperation projects to the enhancement of overall bilat-

75 There are at least two potential interpretations of the reasoning behind it, which could be a potential challenge for future projects: 1) regional co-operation being one of the major conditionality criteria for the EU accession process for both countries and 2) multiple EU-funded projects in various fields had a direct impact on the perceptions mentioned above.

eral relations of the two countries. Thus, no conclusions which would back Selby's theory on the spillover of regional cooperation on "low political" issues into the "high political" arena and cooperation on the state level were made since participants in the project had no adequate knowledge to back that assumption.

Nevertheless, the research has shown that economic support to communities enhances their social relations and increases cooperation which may be an important factor of stability for the future EU enlargement. Future projects may, therefore, aim to stimulate activities which would involve political elites in some aspects of the funded projects as well as to ensure bilateral relations policy provisions as a result of grassroots projects. This would have stronger impacts on ensuring better relations also at higher levels of decision making and would prove both the functionalist approach as well as economic liberalisation theory in international relations. Although common cultural elements and projects may be important in post-conflict resolution, they are not "a substitute for missing political dialogue."⁷⁶ Culture, thus serves, as an entry point and a common theme to receive funding but does not necessarily prove to be the cause of reconciliation. While it was not possible to offer conclusions on the grassroots cultural cooperation effects on reconciliation for the two countries, the research has shown that shared (cultural) values on both sides may impact successful (current and future) cooperation strengthened by economic benefits for all. Economic benefits are thus perceived as effective conflict resolution model, which is in line with Fry's theory that conflict resolution itself is a cultural phenomenon. This research has no pretensions to offer conclusions which would fit all possible cooperation possibilities neither to offer solutions for reconciliation process between the two countries. This would seem practically an impossible task bearing in mind open problems countries have for years. However, further research may be performed in this respect as to measure wider effects of newly created cultural products and services in the long-term on the bilateral cooperation through market competition.

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