CHINA-EU RELATIONS AND THE FUTURE OF EUROPEAN SOFT POWER
A STRATEGY FOR A EUROPEAN CULTURAL DIPLOMACY

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STRATEGIC UPDATE 15.4
JULY 2015
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ACKNOWLEDGMENTS

This report arises out of a wide range of conversations held under the Chatham House Rule between February 2014 and March 2015, principally with policymakers, academics, cultural institutions, foreign affairs and business executives across Europe and China. For this reason, the opinions expressed which have been directly quoted in the text, and which derive from these discussions, are not specifically referenced.

I am especially grateful to John Stevens, Arne Westad, Stephen Haseler and Chris Dixon for their support and ever enlightening ideas on these matters.

I am also particularly obliged to:

Ambassador Wu Jianmin (China Institute for Innovation and Development Strategy), Kasper Holten (Royal Opera House), Dominique Meyer (Wiener Staatsoper), Lady Wong Davies (KT Wong Foundation), Philip Dodd (BBC), Ambassador Dr Kreft (German Foreign Office), Lang Lang, Jan Stuart (British Museum), Anupama Sekhar (Asia Europe Foundation), Pierre Colliot (French Institute), Li Jianmin (China Mission to the EU), Lin Xi (China Mission to the EU), Genevieve Imbot-Bichet (Bleu de Chine), Heather Stuart (British Film Institute), Alberto Vial (Louvre), Alain Lombard (Musée d’Orsay), Xiang Xiaowei (Chinese embassy to the United Kindgom), Anne Cheng (Collège de France), Hugues Becquart (European Commission), Susanne Höhn (Goethe Institut), Alain Ruche (European External Action Service), Vito Borelli (European Commission), David Nelson (Foster & Partners), Cui Hongjian (China Institute for International Studies), Keir Storrar (British Foreign Office), Isabel Davis (British Film Institute), Anaïs Aguerre (Victoria & Albert Museum), Sir Henry and Lady Keswick and all other interviewees for this research.

I would like to thank Sue Baldwin with regards to the technical preparation of this report.

Responsibility for the content remains with the author (June 2015).
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EXECUTIVE SUMMARY

- The EU-China relationship has become of core importance economically for both China and Europe and one of the main drivers of global trade and investment flows over the past few years. Although many Chinese are concerned about Europe’s difficulties to cope with the current economic climate, notably because of record levels of unemployment in some of Europe’s major economies, they are eager to point out the importance of their cooperation with the EU and their support for the European common currency.

- The Chinese understand very well that in geopolitical terms the Europeans will need some time to develop a more coherent and integrated foreign policy but this realism sometimes disguises the extent to which they actually positively welcome such an outcome. Ultimately it is in their profound cultural perspective that the roots of their optimism towards Europe’s prospects lie.

- Despite the obvious differences in norms and values and political structures, the EU’s most comprehensive partnership with newly emerging powers over the past few years has been with China. This is clearly a complex and multi-faceted paradox but one which underlines the critical aspect of cultural engagement to provide a longer-term platform of understanding outside of the strict economic and political realms.

- This is further reinforced by China’s new emphasis on Eurasia and on culture as a means both of achieving global outreach and internal growth. In particular, the deep Chinese perception of Europe as one of the two poles, with them, of cultural diversity and complexity. Many Chinese see Europe as the cultural centre of the West just as they see China as the cultural centre of the East.

- This is notwithstanding practical considerations, which still determine that the United States remains more attractive to China in several key areas, notably for education at university level. But despite this, the Chinese relate to the idea of the old culture of Europe more than they do to the new culture of America, especially in such fields as the humanities, literature and classical music. What draws China’s deep strategic interest in Europe is that both have experienced unbroken cultural continuity over a very long timescale and benefit from an immense accumulation of cultural heritage.

- The Chinese would therefore welcome the possibility of a greater engagement with Europe in cultural terms including a formal dialogue with a dedicated external cultural framework at the EU level complementing existing bilateral relations with the member states.

- China’s efforts to expand its cultural influence internationally are not an isolated case. Most high-growth developing economies, such as India or Brazil, have also been very eager to develop new forms of cultural relations as part of their outward expansion strategy. But China’s new focus on culture as a central driver for its future development is unique in terms of scope and scale. This contrasts and competes with increasing budget restrictions in many Western nations, and particularly in European countries.
Europeans should be fully aware of such developments, and undertake the necessary policies to promote what is widely regarded as their primary asset: their culture, which remains Europe's most fundamental comparative advantage in soft power globally.

Cultural and creative industries are critical to Europe's economy and growth, totalling more than 4% of the EU's GDP. They are also the third provider of jobs across the EU well before the steel or the automobile industries.

So far, Europe's external cultural effort has remained very limited, proceeding principally on a case-by-case basis with no clear strategic direction, leading to fragmented policies and priorities.

There are at least three reasons why the EU should wish to develop a proper strategy for culture externally: to exercise influence in support of foreign policy priorities; to maintain or improve Europe's image abroad; and to support the economic significance of cultural industries as well as the crucial role of culture to engage in new inter-cultural dialogues and artistic exchanges. There is every reason to act now as the interest in cooperation by key strategic partners, above all that of China, rise to an all-time high.

For China is itself undergoing significant changes with a view to make creative and cultural industries a core pillar of its future growth in the next few years, and a key component of East Asian cooperation. This will bring significant opportunities for Europeans, despite the uncertainties associated with several unresolved issues, notably with regards to foreign investment.

The prerequisite of a more united European approach to China is that of its value-added for national initiatives, in particular to help provide a better reach in accessing China's local development as well as engage with the wider region in East Asia. There are also a number of actions that can be undertaken to improve the current status of exchanges between China and the EU, in particular to maximise national and European interests on issues which have proven difficult to address at the individual country level, and to promote a more cohesive European message.

Europe's developing public and cultural diplomacy should overall seek to streamline existing activities into a concerted strategy, involve cultural institutions, private actors and civil societies alike, promote cultural diversity and intercultural dialogue, and focus on regions or countries of particular importance for its interests, such as China, but also its immediate neighbourhood in the Mediterranean region.

This will open a new frontline for Europe's engagement with the world, not just to show how Europeans take the issue of intercultural dialogue very seriously, but also because of the very strategic opportunities which the EU now faces in the ongoing development of a new multipolar world order.
PREFACE

The ongoing impact of the financial crisis upon the global economy and the concomitant shift towards more regionally-oriented patterns of trade have greatly increased the cogency of the case for more effective policy cooperation at a European level. But that case had already been well-established by the rise of the new emerging powers over the past two decades, above all, by that of China. Its rapid and dramatic entry onto the world stage is indeed the greatest geostrategic development of our times, historically comparable only to the rise of the United States between 1865 and 1914. The most populous country in the world, with an average GDP growth rate of 9 percent since the mid 1980s, despite its recent deceleration to a still impressive 7.4 percent in 2014, it has become the third largest economy in the world in nominal GDP, after the European Union (EU) and the United States (US). Some commentators even argue that the country has already overtaken the US on a purchasing parity basis last year, although its GDP per capita will clearly remain at much lower levels for a far longer period. It has thus been naturally at the forefront of international attention and the object of intense analysis. Comprehending the means by which China has achieved this new eminence, and even more its capacity to maintain and extend this across Asia and beyond, through all the potential pitfalls of securing stability whilst shifting from export-led growth to developing a continental-scale consumer society, is central to any analysis of contemporary global trends.

The agreement entered into in November 2014 by the American and Chinese leaders to reduce tariffs for a range of important technological products further endorsed its growing regional and even global dominance. China then also gained approval from the APEC countries to study the creation of a new free trade zone, the ‘Free Trade Area of Asia-Pacific’, as a competing alternative to the more advanced American Trans-Pacific Partnership initiative. This is intertwined with the other pillar of China’s new economic strategy and role globally: the plans to develop two ‘Silk Road Routes’, one maritime and the other overland, which will directly link it to Asian and ultimately European markets. To deliver further growth and maintain political and social cohesion internally, China is seeking ever greater access to new markets everywhere, but there is no doubting its special emphasis upon forging a deeper relationship with its immediate Asian neighbourhood, for reasons which are increasingly framed in strategic, and not simply economic terms. The creation in 2014 of the Asian Infrastructure Investment Bank, endowed with an initial capital of $50 billion, and of the $40 billion Silk Road Fund, to support the development particularly of the new transport routes necessary to sustain this vision, marks a major increase in momentum and clarity. There are many challenges involved, but if China succeeds in implementing them, it will no doubt, have the capability to significantly alter economic and social relationships across the whole of Eurasia.

1 International Monetary Funds estimates, “World Economic Outlook Database”, October 2014.
2 The Asia Pacific Economic Cooperation (APEC) forum comprises 21 members across Asia and the Pacific, including notably China, the United States, Canada, Australia, Russia, Japan, the Republic of Korea, Singapore, Indonesia, Mexico and Peru.
3 The Trans-Pacific Partnership agreement under negotiation includes twelve countries in the region. China is not currently taking part.
4 The first one is a maritime corridor linking China to Southeast Asia, eastern Africa and Europe and the second one overland going from China to Europe via Central Asia and the Middle East.
This will obviously have immense implications for Europe economically, and not just since the EU remains China’s largest trading partner. It also underlines China’s continuing faith in the EU as a leading global economic powerhouse, and the one most critical to its own geo-strategic interests, despite the difficulties that Europe is facing in its campaign to restore its global competitive position by implementing, through the disciplines of the single currency, the necessary fiscal and labour reforms to maximise the full benefits of its single market. But it will also have wider implications.

In March 2014, the incoming Chinese President Xi Jinping decided to meet with the EU institutions directly – the first time such a bilateral exchange had ever taken place. The President’s statement on this occasion expressing the desire for a Partnership of Civilisations, focusing on peace, cultural prosperity and growth, marked a real milestone in Sino-European relations. It is a theme which has been amplified in subsequent meetings of the bilateral EU-China Strategic Partnership, and in particular in this year’s celebration of the 40th anniversary of Sino-European diplomatic ties. At its heart lies the introduction of a new, third strategic pillar, to add to the first two of economics and politics: the creation in 2012 of a high-level bi-annual dialogue devoted to culture and people-to-people cooperation.

This move beyond economics and normal diplomacy towards ‘a meeting of minds and souls’ is taking place at a time, of course, when China itself has entered a new phase of internal growth, one which has made the question of culture and soft power one of the five main strategic directions both of its future internal development and its global outreach. China’s willingness to engage culturally with Europe now seems to go hand in hand with its overall economic and strategic interests.

But how relevant are these developments for Europe’s future in general and European soft power in particular? Few studies have been undertaken thus far on the reasons and possible consequences of promoting culture as a core strategic asset at a European level. There is, it seems, little thought, and even less talk about the centrality of culture for Europe’s place in the world, and therefore also for its wealth and power. The recent developments with China have led to a series of new proposals by the European Parliament to foster cultural relationships between China and the EU as a test case for a more strategic approach to culture in European external affairs. Indeed, the creation of the European External Action Service (EEAS) in 2010 opened the way to reconsider the role and the importance of public diplomacy in the EU’s foreign policy, and within it, the significance of culture, notwithstanding the economic benefits that European countries could derive from it.

At a time of economic, social and cultural uncertainty across a number of European countries, it is inevitable that European leaders are considering new pathways for European integration, which must include new perspectives in foreign policy, notably with regard to China. However, until now this has continued to be largely limited to the economic sphere. The question of a coordinated European cultural foreign policy is still generally seen as secondary, not least because culture is, of course, very much a national prerogative of the EU member states. This analysis does not intend to argue that such a European cultural

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6 H. E. Xi Jinping, President of the People’s Republic of China, EU-China High-Level People to People Dialogue (Speech at the College of Europe, Bruges, Belgium, 1st April, 2014).
diplomacy should question the primacy of the member states in this area. It is the author’s conviction that the very principle of the European Union, i.e. ‘unity in diversity’, and therefore the prerogative of national member states upon their cultural actions externally, should remain. The argument of this report is rather that a European foreign policy defined to a high degree by cultural action within the framework of the EU should emerge as a complement to national actions and as a potential facilitator to strengthen the sense of European power externally and, therefore contribute to Europe’s general prosperity and to its overall internal cohesion. It should certainly help pool resources and enhance Europe’s various national cultural industries in an increasingly competitive international environment. But the very principle of an overriding unity in cultural terms should also not be disregarded as an inspiration for promoting Europe’s economic and political cohesion: the real roots of external power.

The perceptions by non-Europeans of Europe as having a common identity, of being in fact a distinct civilisation, has long constituted the truest way of thinking about its impact upon the rest of the world. This obviously goes back much further than the creation of the EU after the Second World War. It goes back even further than the creation of modern individual nation states, even if the period of Europe’s own relatively rapid, and certainly dramatic, emergence took place principally through national decisions. But the development of the EU, when taken together with the return of Asia, above all through the return of China, to international affairs, is providing a shift in the definition of the West, from being essentially an entity expressing United States leadership of Europe, towards a renewed attention on the notion of a specifically European identity, interest and destiny. In particular, it has reinforced its perception as a distinct integrated whole for the first time since probably the eclipse of conceptions of Christendom in the crisis of the sixteenth and seventeenth centuries and the almost simultaneous onset of decadence in the imperial structures of India and China.

The first part of this study, therefore, looks at the EU-China relationship in economic, political and cultural terms, as well the Chinese perceptions of Europe, and how these relate to China’s strategic vision of Asia and the United States. The second part explores the global relevance and implications for Europe of developing a more strategic approach to the role of culture in its diplomacy as well as the potential benefits specifically for the Sino-European relationship, for European member states and for Europe’s economy. It also examines the importance of China’s new cultural strategy for its own global interests and seeks to identify some of the opportunities and the risks it might entail in the coming years. The third part concludes with a set of recommendations to enhance EU-China relations and to draw out key policy options for enhancing Europe’s soft power. In particular, it aims to encourage a broader context for the analysis of the strategic opportunities which Europe now faces in the rise of Asia and the development of a new, yet to be defined, multipolar geostrategic system.
EU-CHINA RELATIONS AND SOFT POWER

The EU-China relationship: An overview

The deepening of the economic relationship between China and EU has been the defining feature of the bilateral relationship now for well over two decades. Since 2004, for example, Sino-European trade has increased to the extent that EU-China economic cooperation is now the second largest in the world. Bilateral trade in goods tripled, reaching €460 billion mark in 2014. Trade in services has grown much more slowly, but still at a significant pace. The European Union has remained China's largest trading partner, before the United States, and has also become China's primary source of imports, ahead of South Korea and Japan. Meanwhile, China now represents one of the fastest growing markets for European exports. Many Chinese consider that their country could effectively become Europe's first trading partner in goods if this trend were to be confirmed over the next few years, as China seeks to move away from its traditional export-led model of growth towards reinforcing its internal market.

Of course, the financial and economic crisis, and in particular the fiscal pressures in some countries of the Eurozone, have raised questions over the competitiveness of Europe's economy. Many Chinese have expressed their concerns over Europe's difficulties in coping with the current economic climate, and in particular with the record levels of unemployment in some of Europe's major economies. Equally, China's significant economic challenges (the need to rebalance its development and guarantee a minimal growth rate as it enters into its second phase of economic transition) have become more acute in the context inter alia of slowing international and especially European demand. This has led to a range of increased risks to stability, notably with regard to the levels of local government debt. Nevertheless, most Chinese are eager to point out the importance of their cooperation with the EU and their support for the European common currency, which they consider as Europe's greatest integrative achievement. For example, China's purchases of European sovereign debt after the 2008 crisis was part of a strategy to diversify its enormous level of reserves away from American Treasury bonds, but it also contributed towards stabilising the situation within the Eurozone. Despite alarms, these have proved to date to have been very sound investments, even taking account of the weaker euro-renminbi exchange rate.

In January 2014, the EU and China further entered into a first round of negotiations for the development of a bilateral investment agreement to facilitate mutual FDI. This should be a primary focus for Europe since Chinese investors have been recently very active in tapping into a range of commercial and industrial opportunities within the EU. Recent moves to increase Chinese FDI into Europe include, notably, the forecast £105 billion

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7 The gap between the total EU-US (Europe's largest trading partner) trade volume in goods and the EU-China one has narrowed over the years to reach 48 billion euros last year, mainly driven by lower European exports to China. For a more detailed discussion, see Karine Lisbonne de Vergeron, Chinese and Indian views of Europe since the crisis: New perspectives from the emerging Asian giants, Konrad Adenauer Stiftung, Global Policy Institute and Robert Schuman Foundation (2012)
spend in British infrastructure by 2025\textsuperscript{8} and the establishment in December 2014 of a $3 billion Chinese fund to invest specifically in Central and Eastern Europe. There are however still significant issues in achieving arrangements which fairly benefit both sides, not least because Chinese leaders now seem to favour the development of a Free Trade Agreement with the EU over a bilateral investment deal\textsuperscript{9} with the goal of bringing overall two-way trade closer to one trillion euros by 2020. What remains clear, nevertheless, is that the past few years have made the relationship one of core importance economically for both China and Europe and, thus, has also become one of the main drivers of global trade and investment flows. But on this issue, as in other areas of Sino-European relations, amid all the controversy, one thing stands out: the more united a position by the member states, coordinated at the EU level, the greater will be the common benefits.

As mutual interdependence has grown, so has the range and scope of bilateral dialogues, which now amount to over fifty. But although the Chinese saw the creation of the European External Action Service in 2010 as an advance for Europe’s global identity, they are still critical of Europe’s lack of unity politically and its tendency to be too inward-looking. There is a sense that European countries have remained excessively anxious about the immediate diminution of their individual relative powers globally, and that this inhibits them from appreciating how a longer-term, more united European approach would maximise their own assets. The Chinese understand very well that the Europeans will need some time to develop a more coherent and integrated foreign policy, and this realism sometimes disguises the extent to which they actually positively welcome such an outcome.

Although the EU has had a ‘strategic partnership’ with China since 2004, as evidenced, for example, by the creation of a high-level economic and a high-level political dialogue (See below), national interests have remained in fact of dominant importance both from a European and Chinese perspective. Many experts express the concern that China is too often able to play one member state against the other, according to its interests. Or, that competition between core individual European companies in the Chinese market remains the rule, although national interests would benefit from a better coordination. So, is this relationship really strategic beyond the trade and economic realm? What is the exact nature and significance of the dialogue and interdependence that increasingly binds Europe and China together or sometimes set them apart?

Much depends obviously on mutual perceptions. There are, for instance, clear geopolitical considerations for the Chinese, in particular the fact that they do not see any potential long-term areas of contention occurring with Europe, as they certainly do with the United States. As Timothy Garton Ash points out, Europe is ‘a less difficult relationship than that with the US, which is not taking kindly to relative decline and is finding it more difficult to accommodate a rising China’.\textsuperscript{10} European countries have indeed no expectations or military interest in East Asia and the Pacific, China’s neighbourhood and direct sphere of influence. The Chinese mission to the European Union in Brussels has become one of their largest

\begin{itemize}
  \item \textsuperscript{8} Gill Plimmer & Lucy Hornby, “China set to invest £105bn in UK infrastructure by 2025”, \textit{The Financial Times}, 27 October, 2014. http://www.ft.com/intl/cms/s/0/501808f6-5b89-11e4-b68a-00144feab7de.html#axzz3UNnkDrPi.
  \item \textsuperscript{9} François Godement and Angela Stanzel, “The European interest in an investment treaty with China”, \textit{European Council on Foreign Relations Policy Brief}, February 2015: 7.
  \item \textsuperscript{10} Timothy Garton Ash, “How Europe views China”, \textit{China Daily European Weekly}, 9 January 2015, 1.
\end{itemize}
embassies abroad along with the presence of traditional embassies in the individual member states. But probably more telling is the Chinese willingness to strengthen their cooperation with Europe on a longer-term basis, which contrasts with their approach to the US. One example of this is the platform for expansion provided by China’s 12th five-year plan and Europe’s 2020 Strategy in a process which some have coined as ‘a 2.0 version of EU-China bilateral relations’. In November 2013, the two parties agreed to the so-called ‘EU-China 2020 strategic agenda for cooperation’ including potential synergies to achieve better mutual benefits, ranging from energy security to climate change, urban development, information technology, cyber-security or cooperation in social security systems.

Yet Dr Jing Men, Director of the EU-China Research Centre at the College of Europe, is perhaps right to argue that ‘without a common political vision and normative understanding it is premature to define the partnership as strategic’ warning about the differences between a group of liberal countries (‘the EU as a liberal player’), and China as ‘a realist power’ giving priority to ‘collectivism over individualism or authoritarianism over democracy based on a different set of ideas’. Indeed, it is evident that the lens through which one views economic, geopolitical or cultural compatibility and/or perceptions is often related to whether one sees the world in similar ways. There are significant variations of course in analysing how China perceives Europe and how Europe perceives China. But most importantly, it is the nature of China’s perceptions of itself – what China thinks it should become in twenty years time or so – and of Europe’s perception of itself – what Europe thinks it will become over the same period – which will prove decisive.

The problem here is not simply the often cited gulf between Chinese and European political norms and values, which might indeed, over such a period, lead to very significant divergences of interest. It is principally the fact that whereas the Chinese ruling elite seems to be animated by a clear vision of where they want to take their country, no comparable clarity of direction exists on the European side, or certainly not one which is publicly expressed or debated in a manner that alone could sustain consistent leadership.

Yet despite the obvious differences in political and legal structures between China and Europe, both parties are, in some respects, much closer in the way they fundamentally look at the world, than either is for example with India. The Chinese are, paradoxically, far more confident than the Indians, and most of the other strategic partners of the EU, that Europe will remain a major power in world affairs, and indeed, with them, one of the two cultural poles of world civilisation. China is now rediscovering its culture through the prism of unity with an inner confidence to recreate a continental scale economy that becomes, once again, the fulcrum of the East. At the same time, Beijing is showing increasing sympathy for the EU as a project of integration on a regional and continental basis, which may, once again, eventually become the fulcrum of the West, a perception utterly alien, for instance, to strategists in Delhi or in Washington.

13 Jing Men, “Is there a strategic partnership between the EU and China?”, 11.
Proof perhaps of there being some substance in this curious geostrategic outlook is the fact that differences of political norms and values have not meant, so far, that Europe’s most comprehensive partnership with newly emerging powers has been with China. This is obviously a complex and multi-faceted paradox but one, which underlines the critical aspect of cultural engagement to achieve a better mutual understanding and to provide a longer-term platform outside of the strict political realm. One which is uniquely capable of constituting a firm foundation for deepening interactions between the EU and China, and more widely. But it would also require Europe to have a clearer vision than it has today of where it stands in the world, and thereby also, of its longer-term cultural strengths and interests.

The Importance of Culture in China’s Views of Europe and Europe’s External Actions

External perceptions and soft power

Numerous publications and political statements over the past few years have emphasised the need to ‘re-enchant’ or ‘reinvent’ Europe. To find new ways to tackle the current tide of pessimism engulfing many European countries, induced by the economic crisis, as well as to consolidate public support for the European project. EU leaders know that though a return to growth is certainly vital, it will not suffice, on its own, to address the new politics of values and identity to which the difficulties of the past few years have given rise across the continent. Engaging culturally with such a key partner as China, could play a significant role here in prompting Europeans to take a fresh and less introspective view of their current predicament and future prospects. Rethinking the EU’s foreign policy from such a perspective is therefore particularly timely.

Understanding how ‘others’ view the complex combination of national and international politics, economics and culture which is today’s EU (the first such entity of its kind certainly in modern political history) is indeed a means to assess its actual, and even more its potential influence in the world.

This is not obviously a new perspective for analysing nation states. Harvard Professor Joseph Nye famously touched upon the importance of perceptions and cultural engagement as a driver of foreign policy formation with the notion of ‘soft power,’ and later on, ‘smart power’ diplomacy, as a complement to the more traditional ‘hard power’ approach to international affairs. But until very recently this had not been fully grasped by the EU as a token of where it stands in the world, at least culturally, despite the fact that ‘European art, literature, music, design, fashion, and food have long served as global cultural magnets.’ However, it is a strategy which many emerging powers, and above all China, are increasingly taking into consideration as a means of projecting their interests.

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15 The service for Foreign Partnership Instrument of the European Commission recently launched a tender to investigate external perceptions of the EU from Europe’s strategic partners as part of the EU’s public diplomacy strategy.
17 See also Inderjeet Parmar and Michael Cox, Soft Power and US Foreign Policy (Routledge, 2010).
18 Joseph Nye, Soft Power, 77.
Since 2004, China has built more than 300 Confucius Institutes abroad, of which around one third are in Europe (its largest concentration in the world). India has also been increasing its external cultural presence to promote ‘India’s soft power’, though focusing primarily on Africa and Latin America. India now has 59 cultural institutes worldwide, but only 6 in Europe. Both Russia and Brazil have made further efforts in recent years to grow their network of language and/or cultural centres, yet again with a direct focus on their respective spheres of influence: the Russkiy Mir Foundation was created in 2007 to promote Russian language especially in the former Soviet Republics, whilst Brazil has targeted its efforts towards Latin America, which accounts for more than two thirds of its cultural institutes.

China’s efforts to broaden its influence internationally do not therefore represent an isolated case. But they are unique in terms of scope (Europe and America primarily), scale and speed of development. China has doubled its language and cultural relations institutions abroad over the past six years, covering over a hundred countries in 2012. Its investments in global media, with some $6.5 billion earmarked by the government in 2010 to create Chinese giants in the TV, radio and news agencies sector, is further proof of the central importance given to soft power in China’s strategic vision. China’s Radio International and CCTV now offer over 45 foreign language services, against 28 or the German Deutsche Welle and 27 for the British BBC World Service. But despite such efforts, it is still difficult to determine if China’s use of international media has been effective in improving and communicating the image of the country abroad with a rather limited international audience. It is probably too soon to tell the real implications of such developments over time for China’s ‘regeneration’ internally and rise externally. But it shows, nevertheless, how perceptions and cultural engagement are increasingly becoming a crucial component of its future relations with the world.

**Sino-European cultural appreciation**

For most Chinese, Europe is the cultural centre of the West just as they see China as the cultural centre of the East, which they define essentially as southern, central and eastern Asia. This ‘Yin and Yang global vision’ should not be understood really as deriving from the interest and/or admiration that many Chinese express for European civilisation – in the form of the Greco-Roman legacy, the cultural heritage of the Renaissance and the Enlightenment, and the economic and political consequences of the Industrial Revolution. Some Chinese do certainly like to see Europe as the source of modernity, even as they reject many contemporary European values that seem most quintessentially modern, or celebrate

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21 Brazil now has 24 cultural institutes abroad and Russia over 80.
24 For a more detailed discussion on this section, see Karine de Vergeron, *Contemporary Chinese views of Europe*, Chatham House and Robert Schuman Foundation (2007).
the European invention of ‘social philosophy’ (i.e. Marxism) whilst rejecting most contemporary European conceptions of society and philosophy. No, what excites Chinese interest in and/or admiration for European civilisation is the very fact of its continuity, that they see as the only such unbroken human cultural tradition remotely comparable to their own. The defining feature of this continuity lies, for them, in European civilisation’s foundations in archetypal principles, ‘religion and the idea of progress’, which they see as mirroring the archetypal principles which define their civilisation: ‘philosophy and stability’. For those intellectually and emotionally formed by the ‘Hundred Schools of Thought’, and their cyclical understanding of time and history, Europeans represent the ultimate other, the movers of change (progress) who give meaning to the Chinese mission of ensuring harmony (stability).

Some Chinese however have come to speculate that Europe may be ‘becoming less interested in progress and more interested in stability’ and ‘increasingly driven by a short-term view’, whilst China, on the other hand, may be becoming ‘too interested in economic change, and thus could be neglecting harmony’. Rather than a token of possible convergence, such changes are perceived as dangerous for both Europe and China, as eroding their unique place in the world, and thus their respective internal social, cultural and moral cohesion.

Both Europe and China draw on ‘an immense heritage’\(^\text{25}\) which ‘sets them apart’ from other groups in the West and the East. There is a cultural counterpoint between Europe and China that perhaps does not exist to the same extent between Europe and other major Asian powers.

François Cheng, the French Academician puts it in this way: ‘Given Western art’s ceaseless development and the long theoretical tradition that accompanied it, I only see the Chinese artistic creation as being comparable to it. For nearly three millennia, China has experienced artistic creation with remarkable continuity (and has) accumulated an impressive body of theoretical texts coming from thinkers and then from artists themselves, especially in poetry, calligraphy and painting.’\(^\text{26}\) European and Chinese ideas of beauty, nature or humanity may be very different in their cultural forms, but the balance between the spiritual and the rational makes them ‘nevertheless mutually comprehensible’. One example of this has been the longstanding European admiration of Chinese culture by early ‘cultural ambassadors’ and philosophers in the 17\(^{th}\) century, such as Ruggieri, Leibniz or Montesquieu, or, equally, modern China’s wide openness to European classical music.

### China, Europe and the United States

Notwithstanding this, clear practical considerations still determine that the United States remains more attractive to the Chinese in several key areas. One obvious example is in education at university level. Another is the perceived greater openness of US cultural institutions to cooperation with China, as compared to their European counterparts. The Americans have been swifter than the Europeans in recognising how cultural engagement can help promote common economic development despite their divergent geopolitical interests in the Asia-Pacific region. Numerous initiatives have been fostered since the creation of a high-level consultation on people-to-people exchange in 2010, followed by a dialogue


\(^{26}\) François Cheng, *Cinq méditations sur la beauté* (Paris: Albin Michel, 2008), 142-143
on women in 2011. There are now some 210,000 Chinese students engaged in tertiary-level programmes in the United States, more than in the EU (145,000), Japan (95,000) and Australia (88,000). The size of the Chinese diaspora in the US, at 3.7 million is also significant, more, for example than in Indonesia. By comparison there are some 0.7 million Chinese in France and 0.5 million in the United Kingdom, the two largest countries for overseas Chinese in the EU. Most intellectual exchanges at academic level are also done with the US because ‘they have proven easier to foster than with Europe’. The linguistic barrier is of course a factor. But much of the difference has been due simply to the greater American effort to engage intellectually with China. There is still notably no joint programme devised at a European level or across European member states for Chinese intellectuals to become visiting lecturers or residents, for example, in various European universities. This is also true on the other side for European intellectuals in China. But Sino-American cultural ties go well beyond educational and social exchanges. The US has developed an extended cultural network in the country and has been very forceful in promoting its cultural interests there. A good example of this is in the cinema industry. American movies made up more than 60 percent of imported films into China in 2013 leading the top ten revenue-sharing imported box office that year. Or in contemporary art, where Chinese and American private museums interests have been more intertwined than in Europe, for example with the forthcoming creation of the Robert H. N. Ho Family Foundation’s collection of Chinese contemporary artists at the Guggenheim Museum.

But, despite all of this, China tends to relate to the idea of the ‘old culture of Europe’ more than it does to the ‘new culture’ of America. As we have seen, this is in part because China’s cultural engagement with Europe is not viewed through the prism of geopolitical rivalry, as is the case with the US, but through that of a partnership of civilisations. But what is perhaps really important is where this sort of thinking ultimately leads: the concept of a civilisation as only having meaning because it constitutes the cultural pole of a whole region of the world. As Professor Arne Westad put it so potently in his book Restless Empire, China and the world since 1750: ‘a sense of centrality is also a crucial component of the Chinese mind-set. The ease with which its neighbours have, throughout history, accepted elements of Chinese culture has served to confirm a cosmology in which China always stands at the centre’. In fact, China’s political unity over the past two thousand years was that of an empire, rather than a country, but an empire with very open and very fluid borders. Its inhabitants have, until very recently, been defined by the civilisation they were part of rather than by the way they look or the ancestors they have.28

The Chinese do believe Europe is in many respects China’s opposite or cultural equivalent, ‘the two poles of cultural diversity and complexity’. Both are necessary, and they complement each other. The balance between the two and the ability to promote cultural understanding is ‘of core relevance bilaterally and globally’. One Chinese diplomat explains this by the fact that Europe is at the heart of Western civilisation from which ‘the United States has been originally drawn’, just as China is at the heart of Eastern civilization from which Japan and Korea have substantially derived their cultures. The ever-growing Chinese middle-class remains fascinated by European luxury goods, wines or the European country life-style, at a time when China herself is reconsidering its own position culturally and

28 Odd Arne Westad, Restless Empire, 3.
aspiring to rediscover its cultural roots, its traditional art-forms and way of life. Even though it may be principally expressed in British, French or German, as opposed to European terms, Europe still exerts a powerful influence, at least upon the Chinese business elite.\textsuperscript{29}

\textit{China, Asia and Europe}

How this fits with China’s conception of the East is intriguing. Many Chinese show a clear interest in promoting greater ‘integration and cohesion’ in Asia, especially East Asia, and not just in economic terms. Some see this as a way of ‘addressing the apparent policy of encirclement’ that they discern, for example, in Japan’s continuing ties with the United States and its closer ties with India and Indonesia. Others, however, present it more idealistically as an awakening of Asian solidarity. Despite ongoing political tensions, especially over territorial disputes, the increasing economic rapprochement between Japan and China as well its cultural dimension play a key role in seeking mutually beneficial strategic relations. This is not to deny the very deep debate which is now under way within Japan over how to respond to China’s rise, and which is still far from any clear resolution. In the long run, however, looking purely at the economics, it is difficult to see how Japan too will not become reconciled to the logic of its geographical and cultural situation. The Chinese Ambassador Wu Jianmin felt in 2007 that ‘Sino-Japanese ties should be framed in the two thousand-year-old history of bilateral exchanges,’\textsuperscript{30} during which time relations have been ‘good on the whole’. China should ‘follow the stream of peace with Japan’ whilst engaging more culturally. Since then, cultural cooperation between China, Japan and South Korea has been significantly enhanced. It has in fact become an increasingly important element of East Asian partnerships supported by China, notably through the setting up of a range of cultural exchange mechanisms, agreed upon in 2008, such as a the Chinese-Korean-Japanese ‘trilateral’ theatre festival, and the related ‘trilateral human resources training initiative’, with the objective of establishing a ‘regional creative community’, to foster ‘peace and co-prosperity through cultural cooperation’.\textsuperscript{31}

The launch in 2014 of the first ‘East Asia Capital of Culture’ (see below) as well as the plan to set up an intangible heritage centre across the three countries brings further grounding to this approach. So does China and South Korea’s recent decision in November 2014 to establish a research base for Sino-Korean cultural industries, including entry into the international animation market as well as the establishment of a fund for Cultural and Creative Industries. The view is commonly shared that East Asia as a whole, especially China, Japan and South Korea, should take advantage of their cultural and historical similarities, ‘trying to encourage a “shared sense of East Asia” and seeking thereby a greater say in the world’.\textsuperscript{32} China’s initiative to engage also, since 2011, in closer cultural cooperation with ASEAN countries, exemplified by the creation of the Sino-ASEAN (10+1) framework, separate from the existing ASEAN, China, Japan and South Korea

\textsuperscript{29} A Chinese consortium became a major shareholder of the Toulouse’s regional airport in the South of France in December 2014 through a 49.9 percent buyout, not just on account of economic interests but also to foster the links between China and the region.


(10+3) initiative, followed by the holding of the China-ASEAN Cultural Exchange Year in 2014, is further proof of its growing clout in the region, and its seeking more practical and direct forms of expressing this. Of course, this is intertwined in political terms with the recent territorial tensions in the South China Sea. As with Japan, there is a great fluidity in ASEAN councils over their relationship with China. Pan-Asian consciousness is certainly a factor which could ultimately sustain China’s hopes of closer ties. However, in contrast to Japan and Korea, both the economic and even more the cultural convergence of interests is considerably less compelling.

There is still a long way to go to ensure enduring forms of Asian cultural cooperation. The Chinese know that cultural diversity across Asia is an asset just as they value cultural diversity as a principle in Europe, which they see as ‘the treasures of its peoples’. But they also view Europe as an underlying whole (the European civilisation) in the same way as they see at the very least eastern Asia as ‘a whole held together by the quintessentially Chinese cultural concept of harmony’. For the Chinese President Xi Jinping, ‘China and Europe may seem far apart geographically; but they ‘are in fact in the same space’. What China wishes is to build with Europe ‘a bridge of friendship and cooperation across the Eurasian continent’.

Of course, it is vital to see this in connection with its economic underpinning: the plan to set the two ‘Silk Roads’ as a new belt of development linking China and the EU via Central and Southeast Asia which is the ‘key element of China’s public diplomacy and soft power’. The ‘Silk Roads’ will also provide significant benefits for China’s internal priority to re-balance growth between its eastern and western provinces. To achieve this, the Chinese are further embarking on a campaign to lobby a number of countries, including Central and Eastern European states for support so as to provide for them ‘a gateway into Europe’. For example, the ‘Chengdu-Europe Express’ regular freight railway service was launched in April 2013 to link China and Łódź in Poland, with further Polish and Chinese interests to promote the development of a ‘Silk Road Central European Railway Connection’ to boost tourism, cultural exchange and trade. As Alice Ekman rightly points out: ‘confronted with this the EU may consider anticipating and coordinating its response(s) to China’s calls’. As China is determined to ‘become an agenda-setter in Asia, and to a lesser extent, even in parts of Europe, the EU may now need to clarify its own priorities and positions in the wider Eurasian space’. This would, no doubt, be greatly enhanced by a clearer vision of Europe’s strategic unity of interests politically, economically and culturally, both towards Central Asia and China, but also, obviously, globally.

34 H. E. Xi Jinping, President of the People’s Republic of China, EU-China High-Level People to People Dialogue (Speech at the College of Europe, Bruges, Belgium, 1st April, 2014).
35 The concept stems from the historical route networks, which were used for trade and cultural exchanges between Europe and China between the 2nd century BC and the 15th century AD.
Europe’s cultural position has not been impacted by the crisis

Such a Weltanschauung is somewhat reinforced by the fact that Chinese cultural perceptions of Europe have not been really altered by the economic crisis. Although they are sometimes exasperated by the ‘absence of a longer-term growth strategy for the Eurozone’, they remain confident that Europe will get through its current difficulties. This is partly because the EU is still for them a project of integration, which they regard as an experiment unprecedented in history. But it is also because it is in the cultural perspective that the roots of China’s general optimism towards Europe’s prospects lie. Despite economic difficulties in most European countries, the EU was still the most popular destination for Chinese tourists outside of Asia and before the US, with an estimated 5 million Chinese visiting Europe last year. The EU is seen as a land of heritage and cultural variety, which remains ‘the first touristic destination in the world’ accounting for over 50 percent of global tourism in 2013. The same year, more than 400,000 Chinese visited the Louvre in France, with a 40 percent growth compared to 2012, making China the third national contingent of visitors to the world’s most popular museum. Some analysts further forecast that, by 2020, a quarter of all tourists from Asia visiting Europe will come from China and with a spend level by then comparable to European averages. Already Chinese tourists now spend around 5,000 dollars per capita during their European trips, especially on luxury goods, more than in any other part of the world. This is despite remaining constraints in obtaining the necessary visas, notably in the United Kingdom, which remains outside of the Schengen area, although economic benefits have induced the British government to set up a 24-hour priority visa service and to even consider a joint Schengen-UK visa form for Chinese nationals.

European degrees are also becoming more attractive to the Chinese, despite the economic climate. One Chinese expert advised this is because ‘students still feel that as Chinese investments’ interests grow in the single market’, European qualifications will become more relevant, but also because of the opportunity it provides to learn a foreign language other than English and to see ‘cultural world treasures’. Europe as a whole ranked second behind the United States as a destination for studying higher degree in 2012, more than half of which are in the UK - that is to say twice as many Chinese than Indian students, despite their more traditional links with Britain. This further extends to other cultural activities, most particularly in fashion and in the art market. Interest in western art, especially for European old masters, impressionist painters, or contemporary art has widened extensively over the last four years or so with an increasing number of mainland Chinese bidding for European art at auction houses, a trend also reflected more widely across Asia.

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The EU-China partnership: A unique dialogue?

EU-China tools: The High-Level People-to-People Dialogue

But is China’s current appreciation of European culture nothing more than the natural consequence of the country’s increasing economic clout and expansionist ethos, rather than a genuine basis for some deeper, lasting, mutually beneficial engagement? The EU has had diplomatic ties with China for the past forty years. Although the relationship was formally established with the then EEC in 1975, the first summit which marked the beginning of a true bilateral relationship was held in 1998, followed by the decision to enter into a so-called ‘strategic partnership’ in 2003. Since then, this has been widely diversified into a range of sectors. Of particular significance for the present discussion are the following:

In 2007, the bilateral partnership was expanded with the creation of a High-Level Economic and Trade Dialogue with the aim of covering strategic bilateral trade related issues. In 2010 and following the creation of the European External Action Service, which came into force in December 2009, the EU-China relationship was given a new impetus with the establishment of a High-Level Strategic Dialogue co-chaired by the EU Representative for Foreign Affairs and Security Policy and China’s State Councillor. This provided the relationship with a new top-down strategic perspective to complement existing sectorial areas of cooperation that had essentially been developed through a bottom-up approach.

Exchanges of artists and others in the cultural sector became a core aspect of Sino-European ties, with the creation of the EU-China High-Level People-to-People dialogue (HPPD) during the 14th EU-China summit in 2012. It led to the issuance of a first joint declaration by the EU Commissioner for Culture and China’s State Councillor to reinforce existing cooperation and policy dialogues in culture, but also in education, researcher’s mobility and the youth. This came as a complement to the pre-existing policy dialogue set up in 2009 at the first EU-China Cultural Industries’ Forum in Shenzhen, and in the EU-China Year of Intercultural Dialogue in 2012. The 2nd edition of this bi-annual mechanism which took place in September 2014 in Beijing saw further calls to strengthen cultural and educational programmes.

Both parties further agreed in November 2012 to a joint declaration on EU-China cultural cooperation stressing their particular interests in the field of heritage and contemporary art, in cultural industries and in the promotion of intercultural dialogue. These are long-term objectives to be pursued through dedicated programmes including the development of online media and digital content. The emphasis was reiterated in the political and economic fields within the wider ‘EU-China 2020 Strategic Agenda for Cooperation’ agreed upon in November 2013, which encouraged China and EU member states, notably to establish cultural centres in each other countries and boost long-term cooperation between Sino-European artistic institutions.

Culture: The third strategic pillar

Whether these developments, and the inclusion of people-to-people exchanges, really make the EU-China cultural partnership in any way 'unique' remains open to question. Some observers express concerns about the lack of effective enforcement of intellectual property rights legislation and copyright for European cultural content in the Chinese market. Others complain the Chinese sometimes give the impression that they believe they know more about Europe, its history and society, than Europeans. There is also obviously scepticism in some European quarters about the efficiency or rationale for engaging culturally with China, when core European values may not be shared. It would be premature, therefore, to think of a unique type of partnership. Yet soft power, of which cultural attractiveness is a core element, can be used ‘for both zero-sum and positive-sum interactions’; that is to say that it would be a ‘mistake to think of power’ simply ‘as “power over” rather than “power with” others.’ In fact, deep-seated cultural differences should be a reason for increased dialogue and engagement rather than avoidance or non-action.

Some Chinese agree that ideological barriers about human rights or democracy can lead to inertia, but they feel ‘some things cannot be imposed and need time’. And ‘artistic and cultural interactions are the best context for addressing difficult wider issues’. If China and Europe become more attractive to each other, and increase each others’ awareness of their respective perceptions, this will positively influence their official relationship across the board, including dissipating existing mistrust in the economic and political spheres. It will, perhaps even more vitally, enhance human capacities at an individual level.

The creation of the HPPD dialogue turned achieving such a mutual cultural understanding into the 3rd strategic pillar of the EU-China relationship. It is intended to be simply the first of its kind in a range of EU strategic partnerships outside of the West. The engagement with China seems likely so far to be much more significant than that, for example, with India. China had itself already launched comparable consultations with the United States two years before and even earlier with Russia, its historical neighbour and, during the Cold War, its ideological partner. But China and the EU are fundamentally two powers in transition. China is undergoing profound changes and facing huge economic and social challenges in its course to re-emerge as a large-scale integrated economy that will bestride East Asia, while the EU is changing and has been pursuing unprecedented developments in the creation of a unique type of regional and monetary driven-integration to create an integrated economy on a continental scale capable of bestriding Eurasia.

Despite such developments and joint cultural declarations, few instruments have been effectively put in place to increase relations between the two parties. Aside from the possibilities afforded by the European Commission through the former ‘Culture Programme’ (2007-2013), replaced by the ‘Creative Europe’ (2014-2020) framework, a number of actions have been in fact carried out so far under the aegis of the EU-China Trade Project. The latter makes China the primary beneficiary of funding to support the country’s economic, trade and investment reforms with some initiatives focusing on the cinema industry, or the development of platforms

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43 See Michael Reiterer, “The role of culture in EU-China relations”, 144.
44 The programme run by the Directorate General for Education and Culture is mostly devised for intra-European projects. 56 percent of the budget will be allocated to audio-visual and cinema industries and some 30 percent to performing and visual arts.
for cultural services and contents. But much more remains to be done, especially since no dedicated funding mechanisms have been put in place.\textsuperscript{46} The current negotiations of the EU-China bilateral investment agreement could further help Sino-European cooperation in that field by providing a framework facilitating investments for creative and cultural industries for both parties. Thus, the increasing economic exchange between the EU and China’s markets should disproportionately maximise respective cultural interests because of the superior growth rate in that sector.

\textit{Cooperating in education and people exchanges}

Central to achieving this must also be a significant increase in the natural interaction of the education systems, especially targeting personal exchanges between European and Chinese youth. Together the EU and China represent over a quarter of the world’s population with similar demographic trends of ageing populations. China is expected to reach 330 million people over 65 years old by 2050, that is to say 24 percent of its population, against 25 percent in Britain and France and 33 percent in Germany for the same period.\textsuperscript{47} Expanding contacts between the younger generations on both sides would seem therefore crucial to enhance common understanding and better assess how both societies will evolve culturally and economically. A few significant steps have already been undertaken in that direction. The 2\textsuperscript{nd} HPPD summit, which took place in September 2014, focused on the development of the EU-China higher education platform created in 2013 to enhance the mobility of students and strengthen the compatibility of educational systems through a fine-tuning programme. This came as an important development complementing a history of cooperation at university level going back to the creation of the China-Europe International Business School in Shanghai in the mid 1990s and, more recently, to the creation of the China-EU School of Law in 2008 and the China-EU Institute for Clean and Renewable Energy in 2012. But the potential for expansion is considerable. If the number of Chinese students in the EU has increased more than six-fold since 2000, only around 35,000 Europeans study in China, most of which are engaged in relatively short-term programmes. Of particular note are: China’s commitment to provide 30,000 scholarships by 2016 (two-third of which dedicated to Chinese students and scholars wishing to study in the EU and the rest for EU students going into China). The country intends to bring total exchanges of students from around 170,000 in 2013 to 300,000 by 2020. Or, the European Commission’s support to strengthen academic cooperation, in particular through the Erasmus+ programme as well as its emphasis on researcher’s mobility.

There are, however, many challenges and issues still unanswered. In particular, the absence of a dedicated budget for the High-Level People-to-People Dialogue makes it difficult to fully grasp the potential of educational exchanges, beyond the existing frameworks. There are also new areas to explore such as the twining of elementary schools between China and European countries, further cooperation in vocational training, the promotion of educational and cultural links for young student entrepreneurs and creators, or the development of European studies in China via on-line programmes. Another way would be to expand

\textsuperscript{46} Gaëlle Lisack, “European external cultural relations: Paving new ways?”, IFA and More Europe – external cultural relations (Brussels, December 2014), 42.

initiatives such as that of the Charles de Gaulle Foundation or the France-China Foundation which foster cross-cultural ties between young French and Chinese professional leaders from the public and private sectors, to constitute with an equivalent European scheme a post-academic EU wide engagement.

National endeavours and cultural actions

Such questions naturally raise the issue of the degree to which China already deals bilaterally with the individual member states. China has indeed also implemented so-called HPPD dialogues, covering culture, education, science, technology and youth exchanges, with a few European member states. These have been launched with the UK in 2012, the same year as that with the EU, followed by Germany and France in 2014. General mechanisms for cultural cooperation and official exchanges exist, nonetheless, with all the member states, such as, for example, the bilateral 'cultural years' which have been promoted by many European countries over the past ten years: notably the Sino-French 'Culture Years' in 2003-2005, the China Art Festival in Spain in 2007 or the 2015 China-UK year of cultural exchange. The French artistic festival Croisement held in China for the past ten years has become the largest foreign cultural festival in the country, gathering around 1.2 million visitors in 2014. Such endeavours have been further extended to include other forms of cooperation with major cultural events across Europe. In 2009, China was the guest of honour of the ‘Europalia Festival’ in Brussels, which President Xi Jinping, then this Vice-Premier, decided to attend to emphasise his personal commitment to culture, or more recently, in 2014, of the Art Paris contemporary art fair as part of the celebration of the 50 years’ anniversary of Franco-Chinese diplomatic relationships.

Dedicated Chinese cultural centres have also been set up in six EU member states, firstly in France in 2002, then in Germany, Spain, Denmark, Malta, and lately in Brussels in 2014, with further plans to establish one in the United Kingdom. These cultural representations differ from the more widely spread Confucius Institutes, which tend to focus on education, language and university exchanges. One Chinese diplomat pointed out that ‘it is sometimes difficult for China to become acquainted with very diverse levels of cultural practices across Europe.’ Perhaps on account of history and different systems of cultural promotion, some Chinese see in fact two Europe, a continental part, mainly represented by France and Germany, where ‘culture has tended to be more government led, which makes it easier for China to relate to’, and another part, the United Kingdom, which is deemed culturally ‘more free-market orientated and so, more difficult to comprehend, though there is much to learn from it’.

On the other side, only a few EU countries have established proper cultural representations in China. France launched its cultural institute in 2004, the first such centre to open there. Germany, Spain, Denmark, Italy and the United Kingdom have followed, forming together the main European cultural presence in the country. Yet there is no proper network of coordination across the national institutes, which tend to compete for audiences on the ground and with often a very limited reach outside of the main cities. Any European initiative which will facilitate a shared knowledge and intelligence on existing cultural activities and trends in China for the member states and the EU, and which could further coordinate actions where applicable, could certainly be beneficial to all parties involved.
Artistic exchanges between the member states and China: Visual arts, literature, music and cinema

But perhaps most important has been the increasing level of cooperation between Chinese and national cultural institutions and practitioners, both in the public and private sectors. To name just a few, exchanges have been established over the past few years, for example, between the Chinese National Library and the British Library, or between the Chinese National Museum and equivalent partner museums in Germany.48 First, in the visual arts, examples such as that of the exhibition organised by the French Musée d’Orsay in 2004 in China on French impressionism, or that of the 2014-2015 Ming exhibition ‘Fifty years that changed China’ at the British Museum give further groundings to the breadth and depth of such ongoing exchanges. The latter, held in London, focused on the period between 1400 and 1450 when Beijing, under the Ming dynasty, was formerly established as the capital and the Forbidden City created. Indeed, many Chinese have been very keen to develop long-standing relationships with equivalent museums in Europe. Although these institutions tend to be rarely mentioned as an element of cultural diplomacy, except from a few instances such as the Guggenheim Museum in Bilbao or that of the Louvre in Abu Dhabi, they are also ‘a significant tool of soft power’49 as well as the natural expression of cultural and artistic dialogue. A good example of where all this might lead may be glimpsed in François Cheng’s reflections upon the work of Cézanne and landscape painting in China: ‘For Cézanne, beauty results from encounters at every level’: between what is hidden in nature and what is revealed, between the fixed and the moving, the colors and the brushstrokes and beyond this, between human spirit and landscape. ‘At the beginning of the 20th century, his singular figure arises in the West, one with whom the great Song and Yuan masters would have willingly conversed. His work is undeniably the closest to the great landscape tradition in China’ and ‘could be the meeting point where the two traditions can recognise and mutually enrich each other’.50 In addition to this, Europe would need to engage with China on more general issues, such as that of cultural identity through art and its place in society, in order to understand the deeper foundations of Chinese cultural perceptions, expectations and priorities, and equally to assist the Chinese to a concomitant appreciation of Europe’s to navigate the vital transition from art-for art’s sake to art as an expression of common humanity.

Second, the long-standing historical exchange in literature and humanities constitutes another key aspect of Sino-European intellectual interactions. Indeed, the French tradition for translating Chinese texts, which came through the Jesuits in the seventeenth and eighteenth centuries constituted the first form of cooperation and dialogue between the Chinese and the European elite. The Jesuits translated part of the old Confucian thinking into Latin, which then allowed European thinkers, authors, and artists across different countries to communicate together. At the time, Latin was in some ways ‘the equivalent of classical Chinese in Asia’, in as much as Chinese was then widely spoken, and even more adopted as a system of writing, in Japan, as well as in Korea, and, for a period, in Vietnam. But China’s place in European humanities was perhaps more formally acknowledged.

50 François Cheng, Cinq méditations sur la beauté, 134-135.
through the creation in 1814 of the first centre on Sinology in Europe, at the College de France. In many respects, this unique historical relationship between France, as the then leading European cultural force, and China, explains why ‘there is not the same interest in the United States for the majority of the public to understand classical Chinese sources and influences’. Much more should be done however to trigger more intellectual dialogues at all levels. Perhaps, even more so, as some Chinese writers feel that the knowledge about classical European literature in China is higher than it is in Europe about Chinese literature. This is gradually changing, however. A good example of this is the Franco-Chinese bilingual collection Bleu de Chine, acquired by Gallimard in 2010, which focuses on Chinese authors who are initially published in China or abroad. There is indeed much room for development. Chinese did not feature amongst the five most translated languages into French in the same year whereas China ranked second in foreign-rights acquisition of French books, amounting to ten percent of sales,\(^\text{51}\) and it became the second largest licensee of German titles. Similarly, some estimates show that only 21 literary books had been translated from Chinese into English in the UK in 2008.\(^\text{52}\) But this imbalance is in part due to China’s own cultural history. As Werner Meissner, professor at Hong Kong University has pointed out, ‘the quantity of translations and Chinese studies on Western thought since the 1980s presents a phenomenal feat by Chinese intellectuals. It is no exaggeration to speak of the beginning of a new chapter in the intellectual history of China and its dealing with Western ideas.’ Chinese scholars have started recovering their philosophical tradition, and, ‘in comparing it with the West, they are building new cultural identities in search for modernity’. ‘There is reason to hope that the continued study of Western philosophy in China, and of Chinese philosophy in the West, will lead to a better common understanding across cultures.’\(^\text{53}\)

Third, and of particular note, is the traditional cooperation in classical music and opera. Expanding upon the discussion of the importance of symphonic music for Europe’s identity, one Chinese cultural practitioner pointed out that China now has more than twenty orchestras (whereas India, the other Asian emerging giant only has three), amongst which is the Shanghai Symphony Orchestra, one of the earliest ensembles of its kind in Asia and a ‘keeper of Western orchestral traditions in the country’. China’s openness to European music, which dates back to baroque chamber works introduced by Jesuits missionaries in the 17th century, and Europe’s increasing contemporary interest in Chinese musicians and performers have led to enhanced levels of cooperation. The latest edition of the Beijing Music Festival in 2014 was dedicated to the commemoration of Mahler with its ten symphonies performed by the five main orchestras across China, following a first performance of Mahler’s music there in 1928 under the direction of the Italian conductor Mario Paci. Despite general differences across the respective cultures and their musical variety, international Chinese pianists, such as Lang Lang, emphasise that both Chinese and European cultural traditions have been strongly influenced by religion, and therefore, so too have their aesthetic perceptions. ‘One can find beauty in a Renaissance oil painting, or in the original harmony of European church music’. China has accumulated its own ‘distinct musical


\(^{52}\) Dr. Jasmine Donahaye, “Three percent?, Publishing data and statistics on translated literature in the United Kingdom and Ireland”, Literature Across Frontiers, December 2012.

\(^{53}\) Werner Meissner, “China’s Search for Cultural and National Identity from the Nineteenth Century to the Present”, China Perspectives 68 (December 2006): 41-54.
culture throughout history, notably through the influence of Taoism, and Buddhism. Such differences ‘allow European, Chinese and more generally world music to diversify’\textsuperscript{54} and to ‘engage with each other at the deepest level’.

There are now more Chinese students studying the classical works of Beethoven than in Austria and over 40 million children in China learning an instrument, fostering more Chinese musicians to appear on the international stage. China has become the world’s largest piano producer and consumer, accounting for more than 75 percent of global output in 2012 whilst European production is decreasing. Another example of this is in the development of classical opera. The director of a leading European opera house expressed his astonishment towards ‘China’s enormous energy in that field and its great appetite for European opera, notably the readiness to bring musical pieces of a very high quality into China both in terms of performance and management’. Mutual exchanges between institutions play a vital part in this process. Since 2012, the British Royal Opera House (ROH) has been offering training and stage management courses to the National Centre for the Performing Arts in Beijing, more widely known as the Beijing Opera designed by the French architect Paul Andreu which opened in 2007. The ROH is also working with the other two main opera houses in the country, the Shanghai Grand Theatre and the Guangzhou Opera House for rented productions or technical training. Similarly, Vienna’s State Opera has sought to create new links with the Chinese audience with the introduction in December 2013 of online fee-based opera streaming in China, the first country in Asia to receive access to this service, before even Japan, reaching over 350,000 viewers for the first performance.

Fourth, further initiatives have, of course, included cooperation in the film industry. A noteworthy development has been the recent attempt to revive black-and-white Chinese movies from the 1920s and 1930s to bring them to European audiences. The London-based KT Wong Foundation launched its European premiere in 2014 of the restored version of the silent film the ‘Goddess’, jointly undertaken with the China Film Archive and the British Film Institute in the UK, opening a series which focused on the role of women in Chinese history.\textsuperscript{55} The motion picture was indeed introduced into China in 1896 after the first shooting of a true motion movie by the Lumière brothers in France in 1894. The Chinese filmmaking industry was then, further developed, notably during the 1920s by American film technicians helping to train their Chinese counterparts. Today, the United States still retains the lion’s share of foreign films imported into China, attracting most of the 34 revenue-sharing slots available in the Chinese market. This is especially so with the fourteen slots recently dedicated to IMAX, animations and 3-D movies, which, because of their technology, have a predominantly American imprint. European movies generally tend to be pushed away into the other 40-odd flat-fee imported quotas. In fact, major industrial players in China ‘do not have a real interest in Europe at the moment, because their focus is on domestic production and American blockbusters.’ Indeed, one of the key barriers to entry for European filmmakers has been the homogeneity of the Chinese market in terms of content and promotional structures. Because of such stringent

\textsuperscript{54} Interview with the author, September 2014.

\textsuperscript{55} The British Film Institute celebrated last year a ‘century of Chinese cinema’, through a joint programme of showcasing around 80 Chinese films into the UK and UK films into China including a programme to screen early non-fiction films of Chinese cinema (1901-1930s).
regulatory requirements, and the limited possibilities for foreign movies to be actually screened in the country, a few EU member states have sought to enter into coproduction deals with China, such as France, Italy and Britain in 2014, to gain new access outside of the nationality criteria. So far, all such negotiations have remained at a bilateral level rather than any joint European incorporated effort despite the minimal distribution of European films in the country and the highly politically sensitive nature of the industry.

**EU-China relations: The pilot project for a European external cultural policy**

Given China’s importance as a strategic partner for the individual member states and for the EU as a whole, an expert group on culture and external relations was set up in 2012 to focus on the possibility of a specific pilot programme. It brought together representatives of the EU member states’ ministries for culture and foreign affairs as well as the European Commission and the European External Action Service, emphasising that acting together at the EU level could be beneficial in the pooling of national initiatives, in ensuring the development of synergies and coherence of individual actions, strengthening information sharing and networking, as well as achieving economies of scale with China. Of particular significance where the following recommendations to:

- Respect the autonomy of the cultural sector and prioritise bottom-up processes
- Share universal values to which the EU attaches the utmost importance, such as freedom of expression and free and equal access to information, all essential for culture and creativity, through concrete actions and Sino-European cooperation
- Make full use of the potential of culture as a generator of dialogue and of cross-fertilisation between the two societies
- Project a more coherent image of the EU in China through better integration of culture into European public diplomacy strategies

The aim was to identify and resource concrete initiatives, that would have an impact over the longer-term, based upon the results of the pilot phase with a possible mid-term evaluation of the proposed strategy by 2017. There is a sense that the cooperation between China and the EU has remained that of a political agreement and should aim, as one European diplomat put it, ‘to include more specific projects to help foster the creation of different networks of actors across Europe and China’. Most of what has been developed so far has been on a project-by-project basis but will require a more strategic approach to maximise the potential benefits involved for the EU and the member states.

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56 The 2015 Franco-Chinese co-production of the Jean-Jacques Annaud movie is an interesting example of such developments to compete more actively on the Chinese market with more than twelve million viewers in China a month after its initial screening.

57 The Council of the European Union, “Use of culture as a soft policy option in EU external relations”, Note 8235/13 (Brussels, 26 April 2013).

58 The Council of the European Union, “Use of culture as a soft policy option in EU external relations”, 5.
These reflections were reiterated through the inquiry ‘Preparatory action for culture in EU external relations’, which was completed in June 2014, that focused on the strategic significance of culture and cultural diplomacy as part of the EU’s foreign policy tools with China and more widely. An initial step has been taken with the recent appointment of an expert in the EU delegation in China, which will dedicate part of his time to culture, education and the youth to work more closely with the individual member states there. But in order to fulfil the tasks involved, ‘a dedicated diplomat with the relevant background will be needed’. Scale will also play a critical role.

These developments open the way for a much larger direct engagement between the EU and China, but much remains to be done (see below). Particularly this is because, in many respects, the rise of China forces Europeans to think in terms that break the bounds of the short-term and encourage a longer-term approach to determining Europe’s foreign policy and place in the world, and in this, also of its cultural presence, something which the EU’s political class has shown itself, in the past, rather reluctant to do. In part, this is doubtless because the effects of cultural relations may be often very difficult to measure in terms of sheer quantitative results. Nevertheless, history has surely shown the central role of culture in Europe’s ‘capacity to inspire and astonish the world’. Culture remains ‘a very powerful medium for international dialogue and understanding and a hugely important means of influence’. The more China, but also India and the rest of the emerging world grow in cultural importance, the more the revival of the importance of European culture and its diversity externally will become decisive.

60 Michael Reiterer, “The role of culture in EU-China relations”, 148.
THE RELEVANCE OF CULTURE FOR EUROPE’S EXTERNAL ACTIONS

European Diplomacy and The Role of Culture

Current initiatives

The question of culture has so far mostly remained an intra-European priority. The external dimension of the dedicated ‘Creative Europe’ framework for culture has been recently extended to allow the possibility of more joint actions with third countries, but this is, so far, a rather limited initiative. Most cultural programmes are in fact devised and funded by the individual member states both internally and externally, with varying levels of intensity across European countries, ranging from traditional state-centred cultural projects to predominantly private operations, and with equally varying effects. Moreover, the EU share of cultural projects, both within Europe and outside, is extremely small. The new Creative Europe programme agreed upon in November 2013 only represents €240 million a year, less than 0.2 percent of the EU’s budget for the next six years (2014-2020), that is to say merely the cost of building a 240-kilometre motorway linking Berlin to Weimar, or Paris to Lille. At the same time, national budgets for culture are decreasing substantially as the fiscal crisis bites. The relevance of greater European-level cooperation in culture, and indeed of a fully formulated European soft power policy, including external cultural relations, is therefore being increasingly acknowledged politically, though its role vis-à-vis the member states externally has yet to be defined.

The adoption of the European agenda for culture endorsed by the European Council in 2008 set the background for the promotion of culture as a core element of EU’s international relations. Particularly because: ‘the European Union is not just an economic process or a trading power, it is already widely – and accurately – perceived as an unprecedented and successful social and cultural project’. In an increasingly multi-polar international system, ‘the EU is, and must aspire to become even more an example of a “soft power” founded on norms and values, such as human dignity, solidarity, tolerance, freedom of expression, respect for diversity and intercultural dialogue’.

In 2011, the European Parliament further called for such a strategic deployment by incorporating culture consistently and systematically into EU’s external affairs and seeking complementarity with the member states. It notably pointed out that Europeans citizens are best able to benefit if the EU acts as a global player and a leader on the global stage. On the one hand, ‘the competition will be ever fiercer, with China having already established 300 Confucius centres (1000 planned

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62 The grant mechanisms will allow the participation of third countries up to 30% of projects’ costs but are not in any way dedicated to specific partners.
63 This does not include other cultural project streams, which may be funded by non-dedicated policies originating from the Directorate General for Enlargement, Enterprises, Development and Cooperation or the new Partnership Instrument.
by 2020) to practice cultural diplomacy, and the rise of the emerging powers such as India. On the other hand, the United States’ strong cultural presence globally ‘is now slightly declining, but remains powerful’. Europe ‘needs bold and ambitious policies now’.65

A few other non-dedicated instruments have been used to support Europe’s cultural action abroad. But most programmes have been developed on a case-by-case basis across a wide range of additional policy areas (e.g. development and cooperation, enlargement or neighbourhood policies) leading to fragmented policies and geographical priorities. In fact, most projects have been conducted with limited coordination, making it difficult to truly assess their efficiency in constituting a coherent whole for the EU’s foreign policy strategy. Culture has for example taken an important place in the EU’s cooperation programmes as a key component of social and human development whilst seeking to stimulate the access of local people to their own culture when designing development packages. A number of actions have also been set up as part of the regional geographical instrument and the European Neighbourhood Policy, most specifically the dedicated Eastern Partnership cultural programme or the Southern Neighbourhood policy, with initiatives such as Euromed Audiovisual or Euromed Heritage. These non-dedicated programmes have represented additional resources for cultural projects of around €150 million for the period 2007-2013, though they have mostly tended to provide grants through the angle of development and assistance, especially in post-conflict situations. In fact, there is still no clear coordinated strategy for culture as part of Europe’s external action and little focus on Europe’s own cultural assets and their comparative advantage globally. The appointment of a cultural adviser to the Secretary’s office of the EEAS in February 2014 provides a first concrete step to change this. So does the report on ‘Preparatory Action: Culture in the EU external relations’ previously noted.66 The new Partnership Instrument for cooperation with third countries, essentially devised for the EU’s strategic partnerships, should also provide a new tool for cultural actions in the development of European public diplomacy and outreach activities.67 For the period 2014-2020, €85 million have been earmarked for the EU’s public diplomacy, 40 percent of which will be allocated to the Asia-Pacific region.

There are at least three reasons why Europe should wish to develop a strategy for culture externally. As Gijs de Vries, former EU anti-terrorism coordinator, has rightly pointed out,68 one is to exercise influence in support of foreign policy priorities. Cultural actions and projects can indeed open channels of dialogue and understanding notably where diplomacy may be difficult to operate or finds its limits at times of political difficulties. As a mean of intercultural dialogue, it is an instrument for peace and stability. The second reason is to maintain or improve Europe’s image abroad; and the third lies in the economic significance of cultural matters. Strong cultural industries, capable of holding their place

66 The Preparatory Action for Culture in External relations notably stresses the need to balance governmental responsibility with the practices of cultural creators and their organisations in seeking to promote European cultural actions externally.
68 Gijs de Vries, “A Europe open to culture” (Background paper to the international conference “New Paradigms, New Models – Culture in the EU External Relations”, Ljubljana, 13-14 May 2008), 14.
in global markets, are an economic asset for Europe.\textsuperscript{69} They are also a powerful tool to support trade or foreign investments into the EU, as well as a source of attraction notably for students or researchers. In this, issues of perceptions, in particular Chinese or Asian ones, should be a prime concern because there is clear sympathy for European culture as well as an increasing will to foster mutual understanding. This is in sharp contrast with an often more divisive or critical view of Europe as a political power. The sheer cultural diversity of the EU itself makes it a living example of the benefits of cultural dialogue, with, therefore, a natural legitimacy for a European cultural message globally. One should not also underestimate the significance for Europe's strategic partners of the EU's longstanding role in promoting cultural diversity, which culminated with the ratification of the UNESCO convention in 2005. Europe should clearly lead on those issues, even more since they are, as we have seen, increasingly taking on a new and vital significance for rising powers such as China or India.

This is also made particularly relevant by the current economic situation. Emerging and high-growth developing countries are eager to develop new forms of cultural relations as part of their outward expansion strategy. By contrast, 'in the case of many Western nations, cultural relations are subject to retrenchment and short-termism, as countries look inwards at a time of intense economic pressures. This is creating an inherent risk to these country's long-term global influence and their performance in culture, education, tourism and trade.'\textsuperscript{70} A solution could be found in a better coordination of relevant projects and actions at the EU level, to maximise the common gain externally and make a more effective use of existing resources internally where this is possible. Whether European leaders and institutions take full consideration of such benefits, and their relevance for Europe's economy, society and foreign policy, will obviously determine the pace of change in this field over the next few years. There is, however, every reason to act now as strategic partners' interests, such as those of China, rise to an-all time high.

\textbf{Cultural and creative industries: a powerhouse of Europe's economy}

National budgets for cultural action internally and externally have been threatened almost everywhere across Europe since the beginning of the financial crisis with, sometimes, significant decreases. The public budget for culture in Spain notably saw a 17 percent cut in 2013 coupled with an increase of VAT on cultural products up to 21 percent, the highest level in Europe. Similarly, the French Ministry for Culture reduced its budget by 4.3 percent in 2012, followed by further local cuts in 2015. In the United Kingdom a reduction of above 5 percent in national cultural spending is expected for 2015-2016. Nevertheless the situation is somewhat uneven across member states, for there has been, for example, a rise of 8 percent in the German federal cultural budget in 2013. But in such a climate of general cost-cuttings, there is every reason to explore the potential for further synergies through joint transnational projects.

This is all the more true as culture is one of Europe's primary assets, not just in terms of intangible value and contribution to its appeal externally, but also in economic terms. The cultural and creative industries\textsuperscript{71} amounted to €535 billion in revenues in 2012, making up 4.2 percent of the

\textsuperscript{69} Ibid.
\textsuperscript{70} John Holden, Influence and attraction: culture and the race for soft power in the 21st Century, 4.
\textsuperscript{71} They include in descending order of revenue contribution: the visual arts, publishing (newspapers, magazines and books), advertising, television, architecture, the performing arts, music, film, video games and radio.
EU’s total GDP. Analysts have also shown the resilience of the sector with a 0.7 percent growth in job creation between 2008 and 2012, thus outperforming by far the rest of the EU’s economy which saw a loss of almost one percent over the same period. The revenues generated by visual arts, television, newspapers and publishing remain the core pillars of the EU’s cultural and creative industries with visual arts alone representing €127 billion, or 24 percent. This is in spite of the national budget cuts and an average cultural spending of only one percent of government outgoings across the member states, far behind that of defence (2.9 percent) or education (10.7 percent).

Its importance is also too often undervalued. Cultural industries are major job-providers, employing over eight million Europeans, nearly four percent of the active population, making it the third most labour-intensive sector in the EU, well above the steel, food, automotive or chemical industries. There are also non-quantifiable benefits to Europe’s economy, such as its role in fostering innovation or digital enterprises while helping the growth of connected devices, notably through the variety of cultural content. Yet they face difficult challenges, primarily lack of funding, and increased pressures from international competition. Some analysts foresee significant shifts in global leadership in the cultural industries. China’s Shanghai Cultural Industrial Fund, which was set up in 2012, has a $1.6 billion budget available for the development of creative industries, whilst the American Providence Equity Partners fund now has over $30 billion to invest in the sector internationally. These are harbingers of a new type of cultural actor in the global marketplace, with resources at least as high as the current EU dedicated budget for culture for the period 2014-2020. Furthermore, the European creative sector also needs particular support to protect its intellectual property rights, especially with regard to global digital networks of distribution, and to improve its use of new technologies. There could be therefore much to gain in creating a proper European industrial strategy for cultural economy and in promoting new initiatives externally for European artists and cultural businesses.

**Going forward: EU public diplomacy in the new multipolar order**

So what might a policy for European culture in external affairs look like? Considering the diversity of existing national actions from the member states in third countries, as well as the need to find an efficient strategy at the EU level, it seems crucial that such a policy be based on targeted projects and partners. The EU would take the role of an enabler and a facilitator where member states alone cannot achieve the same results. This is obviously a complex undertaking and a long-term process. But although foreign policy is mostly about the defence and security of national (or European) interests, it is impossible to pursue these without reference to culture and the overall creative capacity of national societies, or

72 Marc Lhermitte and Bruno Perrin, “Creating growth: Measuring cultural and creative industries in the EU”, EY report (December 2014), 10-16.
74 Jeff Bunder, “Private equity round-up, China”, Ernst & Young report (2012), 5.
75 See also “The future of culture, the future of Europe” (conclusions of the Forum de Chaillot, held in Paris, 4-5 April, 2014). http://www.culturecommunication.gouv.fr/Actualites/En-continu/Europe-Le-Forum-de-Chaillot-en-4-points.
of European society as a whole. Fostering cultural presence and artistic dialogue is an efficient way to combat marginalisation and alienation particularly of youth, even before one calculates its concrete economic benefits in high value added cultural and related technological industries.

Countries or regions of vital economic, political or cultural significance for Europe’s interests should be a clear initial focus of the EU’s external action. There are at least three directions:

- Promoting Europe’s cultural action with the emerging Asian giants, of which China is a primary partner, including India and Asia more generally, and building on the increasing economic exchanges across the two regions.

- Fostering existing cultural dialogues with Europe’s immediate neighbourhood, in the Northern Mediterranean region and in the Middle East, to enhance Europe’s image but also, most importantly, to increase its role in protecting local cultural heritage at a time of extreme crisis (notably by including culture in the mandate of EU peacekeepers), and in fostering the development of inter-religious and intercultural contacts and appreciation.

- Targeting Europe’s strategic partnerships, through the possibilities that may be afforded by the partnership instrument under the aegis of the EEAS, notably with: the United States, particularly in the process of the EU-US Free Trade Agreement where the specificity of EU cultural services should be upheld; with Russia, in the current context of increasing tensions to help maintain the complementarity and relevance of European and Russian cultures; with Brazil, Japan or South Korea to strengthen the distinct identity of the EU; and to contribute to defending the EU’s overall interests at a bilateral and multilateral level.

There are, of course, also natural areas of cooperation where the promotion of culture and creativity as a vital element of the EU’s international clout could be fostered, such as the European expertise in heritage, or developments in the digital area, or the promotion of European film-makers’ interests, notably in markets where it has proven difficult to enter and where European engagement could complement national endeavours. This would be particularly useful for individual film and televisual businesses at a time of declining audiences within the EU itself.

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76 See also “Towards an integrated approach to cultural heritage for Europe”, Communication from the European Commission, 477 final (Brussels, July 2014).
China’s new cultural strategy: A core pillar of its future development

External relations: The idea of the Chinese dream

The existing bilateral framework for Sino-European cultural cooperation at the EU level makes China a clear partner at a time when the country is undergoing significant shifts in its own cultural policy. China’s economic rise over the last decade has led to increasing level of public investments in culture as part of the country’s outreach priorities. Aside from the well-known Confucius Institutes, the country is also seeking to expand its cultural centres abroad from 15 to 50 by 2020 with a strong focus on the promotion of Chinese artists in foreign countries. Culture has in fact become a distinctive element of China’s development strategy since 2006 and later on with the 2008 Olympic Games in Beijing. The 11th five-year plan (2006-2011) saw the first mention of culture as a key aspect of China’s growth within the context of promoting a ‘harmonious society’. Of particular note were the following steps in China’s new strategy: firstly, the development of the creative and cultural industries became one of the top five national priorities after the 18th National Congress in 2012 and the 2013 Plan for National Economic and Social Development. Secondly, the third plenary session of China’s Central Committee in November 2013 asserted the need to build a culturally strong country and improve China's external soft power. It also emphasised improvements required in the management of the cultural sector as well as the need to establish ‘a basic framework for a modern cultural market system’. Thirdly, the most recent five-year plan (2011-2015) set out China's plan for reforms including a focus on new emerging cultural sectors, such as digital publications, mobile media and the preservation of cultural heritage.

For many Chinese, culture is a core element of national identity and thus a means to safeguard national security. This is sometimes seen as necessary as ‘China cannot fall behind in competition of soft powers involving culture’. It is also often intertwined with the idea of the Chinese dream or ‘the great rejuvenation of the Chinese nation’, partly through the promotion of China’s own cultural assets and values externally. Unlike the American dream, the ‘Chinese dream’ focuses on unity and stability rather than social mobility or individual freedom. Particularly, since ‘the traditional Chinese view sees the state as an extended, and more importantly, a united family, to which citizens should show their love and reverence’. The underpinning values are that of the importance of order or the reverence for authority dating back to the early times of Confucius, or that of moderation, humility and compassion from the earlier influences of Taoism. How this is reflected in today’s China is sometimes unclear. Some argue that China will be sooner or later ‘undergoing a cultural and moral crisis’. Ideologies ‘have created a void in the country because of a gap in education and reference to the pasts that now has to be filled’.

Could such sentiments also reflect a difficulty to fully comprehend China’s current direction? One European diplomat regretted how difficult he found it ‘to read and understand’ China’s current policies. ‘There are many different initiatives but no clear thread-line, thus far, to fully comprehend its meaning as a coherent whole’ and how China’s cultural actions externally will adjust with internal cultural strategies.

The impact of cultural development for China’s growth

The direct and indirect economic rewards of enhancing the status of culture have been a strong focus of the Chinese policy over the past few years. The weight of cultural industries has grown by 60 times in less than ten years to total some €250 billion in 2012, amounting to 3.8 percent of China’s GDP in the same year. The objective is to attain 6 percent and likely up to 10 percent of GDP in the long run. In Shenzhen alone, which became a UNESCO City of Design in 2008 and a cluster-city for creativity, the sector generated above $21 billion of value-added in 2013, or 9 percent of the city’s domestic product up from 4.6 percent in 2004. This is not just a trend in China, as cultural and creative industries have become one of the most rapidly expanding sectors in the global economy. But this could be particularly meaningful for the Chinese if the ongoing shift towards fostering their internal market away from an export-led model is successful over the next few years triggering an increase in domestic consumption, including in cultural products. Many see significant room for improvement in that process: cultural consumption currently takes up to 7 percent of family expenditures against some 30 percent in Western Europe and in the US. Culture is set to become a new engine of the economy, especially since ‘Chinese cultural products do not yet match China’s economic development nor the wealth and diversity of its culture’. Many were critical of the fact that China’s total published literature still remains quite low internationally (its number of new book titles published was less than half of the EU’s 535,000 new titles in 2012). Or, that the only animated film based on Chinese ancient culture, ‘Kung Fu Panda’, which became a clear international success in 2008, was produced by the American studio DreamWorks, leading the Shanghai Media Group and other entertainment investment companies to enter into joint partnerships with Hollywood studios.

The pace and scope of growth, however, is enormous. Performing art institutions, mostly local opera, dance, musical and theatre groups, now number above 8,200 in the country, up from 4,500 in 2007. The number of cinema screens has also doubled in the past few years to reach 18,000 in 2014 with ten new screens opening on a daily basis including in rural areas. By comparison, the United States has 40,000 cinema screens and the EU, some 30,000, albeit with around a third of China’s population. But as Amanda Nevill, the Chief Executive of the British Film Institute points out: ‘The value of the Chinese box office is forecasted to outstrip the United States within five years and will become the world’s largest film market in 2020. So the Chinese export market could become ‘increasingly important for us, reaching within less than a decade.

81 Shenzhen is taking up 60 percent of the high-end printing industry in the country and regroups 34 creative industrial parks covering animation and gaming, cultural software, digital publishing, cultural heritage, tourism and crafting.
82 Notably in developing countries with an increase of 17.6 percent in the Middle East, 11.9 percent in South America and 9.7 percent in Asia in 2008.
the same level as the US is now.\textsuperscript{85} Overall China’s film entertainment sector amounted to $3.3 billion in 2012 whilst its box office audience is targeted to cross the $5.5 billion mark by 2017. But although China currently produces more than 500 movies a year, only a third are actually screened and less than ten percent are exported. China’s overall entertainment and media market, which includes book publishing, filmed entertainment, radio and TV subscriptions as well as video games and internet advertising, is further expected to grow from $127 billion in 2013 to $213 billion in 2018, having by then overtaken Japan to become the leader in Asia.\textsuperscript{86} It will, however, remain at a much lower level than that of Europe or the United States.

Significant opportunities will be further targeted in the digital area, through online book sales, gaming or mobile telephone-accessed music revenues, making China’s overall domestic market a significant international player for the cultural and service industry. Analysts also anticipate that China’s television industry will overtake that of the UK and Germany by 2016, notably through the support of public investments in subscription technology, whilst its book market should reach $13 billion by 2018 amounting to 35 percent by then of total books sales in the Asia-Pacific region.\textsuperscript{87} Though again, revenue from book exports still represents a minimal stake amounting despite significant growth to $52 million in 2013, thereby underlying some of the core challenges that China faces globally.

This is despite the fact that in other sectors, such as in the art and antiques trades, the country has been the strongest growing market worldwide over the past few years. It totalled 24 percent of global fine arts sales in 2013, thereby influencing the very structure of auctions and art dealing internationally.\textsuperscript{88} The dominance of auction houses in China (around 70 percent of the market) is significantly different from that of Europe where private galleries tend to attract the majority of value. This has a significant impact not only on valuation but also on the ‘general public’s exposure to, and ultimately taste in, art.’\textsuperscript{89} Art collecting has been boosted by China’s economic rise but most Chinese do not yet have the disposable income necessary to sustain it, though there will be numerous opportunities to widen the base in future as average revenue grows in the country. This is also true for other cultural contents. Indeed, with the continued expansion of China’s middle class and the rising prosperity of inland cities, consumption and earnings are set to increase substantially over the next few years, and so will cultural patterns. Analysts estimate that the middle class will reach 630 million people by 2022 with the upper part amounting to 54 percent of urban households, up from 14 percent in 2012. At the same time, the country has created a record number of museums in a relatively short timeframe with more than 400 new museums openings in 2012 and 2013 alone, totalling around 3,500 in 2013 (compared to over 17,000 museums in the EU). Public museums have not traditionally been part of the Chinese culture, but the importance of showcasing art has gained momentum for the country both internally and externally, coupled with a growing demand for it from the younger generation. This is further supported by new private sector initiatives such as the creation


\textsuperscript{86} Asia Briefing, “China’s Entertainment & Media Market to overtake Japan’s by 2018”, 5 June, 2014.


\textsuperscript{88} Jean-Christophe Castelain, “\textit{Le Yo-yo chinois}”, \textit{Le Journal des Arts} 409, 14-27 March, 2014.

of the Long Museum, a 10,000 square metre private art gallery in Shanghai or the Belgium Ullens Centre for Contemporary Art in Beijing. With such developments, China’s rapidly growing cultural market should, no doubt, offer a range of new opportunities for European cultural enterprises, both public and private, in the near future.

**Uncertainties and Opportunities**

There remain a number of problematic issues, however, notably with regard to foreign investments or joint ventures. For example, the publishing sector is still ‘not as open for investment as distribution and print services are’ although there are now increasing opportunities for international collaboration, including one-time or long-term cooperation, and joint ventures, in which Chinese partners hold a majority share.\(^90\) The existing quota in the cinema industry has already been noted. Similar restrictions also exist in the art market for foreign trade actors although this is loosening up with Sotheby’s establishing joint ventures in Beijing in 2012 and the granting in 2013 of a license to Christie’s to operate independently in the country.

There are uncertainties, too, for Chinese cultural institutions. In the visual arts, newly created museums are often faced with low attendance, high-running costs and curatorial management issues. As Philipp Dodd emphasises: ‘China is beginning a system of museum building that took about 130 years to resolve itself in Europe…so part of the problem at the moment is our expectations’\(^91\) of the country and the very complex challenges it faces. According to the China Publishing Media Journal, in the publishing sector and more generally, ‘weakly enforced intellectual property rights protection has become the most important factor hindering the innovation and development of Chinese creative industries’ coupled with a ‘lack of creative talent pool, too much executive intervention and strong cross-media barriers’\(^92\) China’s new cultural policy has been mainly focused on the economic dimension of the sector, although there is an increasing recognition of the importance of cultural content itself.\(^93\) Many Chinese do agree that for their culture to become a global one it must first find a foothold inside China, underlying the fact ‘any cultural product that is not competitive inside the borders will not survive in other countries’.\(^94\) One Chinese diplomat argued that ‘this should lead to a fine-tuning of developments’ and ‘a more market orientated structure’, with ‘a greater delegation of power to provincial governments and cities as well as non-profit organisations’. Cultural programmes should be increasingly rooted at a local level and, in that process, ‘cultural industries will gain leverage to plan and implement activities by themselves.’ Such a development, if it were to come to fruition, would no doubt represent a bigger platform for further cooperation between Europe’s and China’s cultural scenes.

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94 Wu Xia and Chen Junfeng, “China’s cultural commodities project soft power globally”, Shanghai Daily, 22 December, 2011.
Of particular relevance for European interests will also be the ability to engage culturally across the whole of China, including with second- and third-tier cities at regional and local levels. Although the French or the German cultural networks have recently sought to widen their coverage across the country, there is significant room for development, particularly with the strengthening of the country’s local infrastructures triggering access to a wider public. For example, a greater EU engagement to foster exchanges between Chinese cultural municipalities and Europe’s creative hubs would be a valuable asset to address various levels of governance and explore new links with small and medium enterprises and networks. More general issues about the relationship between culture and the environment could also be addressed. China’s ongoing rapid urbanisation will certainly be conducive to this approach. The need for accommodation in the country will grow by a 110 million people by 2020 requiring to build a city the size of London every six months or so for the next six years. This will clearly bring further trade opportunities in industrial terms (in energy, waste management, planning or public services, notably through the joint EU-China dialogue on ‘smart cities’), but also in more creative fields, such as architecture and design, or cultural preservation.

One leading European architect partly explains this as deriving from ‘the current revival of interest and somewhat fascination for European architecture’ in China. Replicas of English villages, parts of Paris or German-style towns are being built in the country, at the same time as modern towers or new construction design from young Chinese architects like Ma Yansong arise. Its ‘Shanshui City’ inspired by the emotional relationship between man and nature is an interesting example of China’s own developing architectural touch intertwined with distinctive elements of China’s philosophical system and culture. The best emerging Chinese architects are now seeking to bridge the gap back to their tradition, thereby emulating a more complex approach to design, above mere fashion or trends. In this process, Europe’s own history of urban planning, spanning across 300 years of city development with an historical storyline that greatly influenced the scale of the metropolis and the density of its development make European cultural industries, and the EU more generally, ‘an attractive partner to work with’.

**The regional benefits of an EU level approach with China**

The prerequisite for a more united European approach to China is that of its value-added for national cultural initiatives. Its potential to help European member states have a better reach in accessing the country’s local development has already been noted, not least because it would give those who do not yet have a cultural presence in the country a voice through more transnational activities. So too will the possibility it affords to foster reciprocity in cultural exchanges and to create a wide network of relevant European stakeholders able to gather information on and effectively analyse China’s cultural development, including across academia, think tanks and other relevant institutions of civil society. But countries, such as France and Germany, who already have a strong cultural network there, also see this as an opportunity to foster the engagement with China at

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95 For example, its architectural designs of the Hutong Bubble 32 in Beijing, or that of the Pingtan Art Museum under construction in the Fujian province, which will become the largest private museum in Asia.

96 Yinzhou Museum in the coastal city of Ningbo was designed by Wang Shu, the first Chinese to have won the Pritzker Prize in 2012.
a regional level in East Asia. This is particularly so since there is still genuine admiration for the European project across Asia as ‘an example of how new forms of inter-regionalism can work’, both economically and politically. Indeed, many Chinese have been following the successful development of the European Capital of Culture launched 30 years ago by the EU, which they saw as a source of inspiration for an equivalent eastern Asian scheme. The dedicated programme initiated in 2014 by Japan, China and South Korea, so-called ‘East Asia City of Culture’, exemplified this approach. The first stage of this brought together the Japanese historic port city of Yokohama, the ancient trading port of Quanzhou in the Chinese Fujian province and the 2,000 year-old town of Gwangju in South Korea, which is seeking to become a hub city for Asian culture by 2016. China could also seek to widen the trilateral endeavour to create, in the mid to long-term, perhaps a ‘Eurasian City of Culture’ programme which would include Europe. European member states and the EU as a whole, will have, no doubt, a particular interest in considering such prospects, as Asian growth has an increasingly cultural component.

All these developments will be, of course, greatly influenced by other external factors: how regional and bilateral economic and political relationships evolve in East Asia, or how the US will wish to develop its engagement with the region generally and with China in particular. The political backing given by US Vice President Joe Biden in 2012 for the promotion of American interests in the film industry in China is only one example of how the Americans have been building efficient connections to support their creative sector there, including through closer forms of private sector cooperation. Internal factors within the EU and the ability to agree on, and engage with, a common public diplomacy through the External Action Service, will clearly also play a crucial part. But ultimately, it will all depend on whether European leaders are willing to sufficiently support initiatives in this field to make full use of the scale that an integrated European strategy could bring.
RECOMMENDATIONS AND EMERGING ISSUES

Principles for Europe’s cultural diplomacy

A number of strategic themes and opportunities emerge from this analysis, notably: China’s new strategic emphasis on cultural industries, as well as its willingness to engage across the Eurasian continent with a new geo-strategic urgency forces us to think in terms that can enhance European cooperation at all levels. It makes it all the more vital for Europeans to recognise that the only prospect to engage with China and other new powers in the short- and long-term is by being more united in the economic, geopolitical and cultural fields with a view to fully maximise European and national interests internally and externally.

The EEAS should be expanded with a properly-staffed new unit dedicated to the EU’s cultural diplomacy, building upon the appointment of a senior advisor to the General Secretary’s office in 2014. This unit would liaise with the member states, European foreign affairs and culture ministries as well as the EU delegations abroad with a view to coordinate a number of targeted actions.

At least three geographical directions could be prioritised for European external cultural action: Asia, the Mediterranean region and other strategic partners (see above, the proposed strategy for EU public diplomacy in the new multipolar order). This new cultural diplomacy should be based on flexible policies taking into account the specificities required for each regions or countries of interests. However, a coordinated overall strategy will be necessary to ensure a clear European mandate on a range of mainstream activities. Of particular value will be the focus on local and regional actors expressive of their respective civil societies. The inclusion of new cultural policies for EU crisis management and prevention will also be an important factor, notably in places like the Middle East, by supporting the proposal for a rapid reaction force for culture as part of EU’s foreign actions, and by targeting young people and artists so as to allow European interests to better understand and engage with emerging social developments across the relevant regions.

The promotion of joint cooperation across the EU will be critical to the development of an efficient European cultural strategy externally. Projects should be carried out either at the EU level or by European countries acting together. This is especially so as member states do not have the same level of representation abroad, notably in China. This will not only constitute a clear intra-European benefit, it will also significantly support a better perception of a shared European vision and of the complementarity of member states’ national interests, both generally and in cultural matters in particular.

The importance of China as the test case for the development of Europe’s public diplomacy with its strategic partners has already been noted. This would not require new sources of funding in the short term as the partnership instruments’ earmarked funds provide an initial basic budget. Moreover, the EEAS would take on the role of coordinator, building on the existing resources of the European Commission and those of national governments and institutions. In particular, it should help Europeans be less dispersed in their respective cultural engagement with China. But the value-added of a European level effort will eventually be found in gaining further visibility on the Chinese cultural scene, improving European cooperation, where relevant, to foster the reciprocity of exchanges on specific issues, engaging in a genuine European intercultural dialogue with China, ensuring that European creative industries uphold their future interests, and, most importantly and more widely, fostering knowledge and creativity as core values that express Europe’s global role.

Practical recommendations for EU-China cooperation

This more united approach should focus on a range of creative fields where more concerted actions will help build new bridges of cooperation. This is especially true in the visual arts, for museums and for the heritage industry, in cinema and publishing and for digital design enterprises. First, the EEAS should act as a facilitator to engage on cultural questions which require political engagement to the benefits of the member states and the Sino-European relationship. A joint European diplomatic approach will help find new leverage on issues that China perceives as an element of cultural and political soft power, making it, thus far, difficult for single national institutions, or individual member states, to engage with. For example, European museums are often faced with constraints of timing and regulatory control regarding the temporary lending of artworks outside of China, which require central agreement. The Chinese are also operating within limited curatorial options, as only twenty percent of the so-called ‘class one’ works may be lent at any given time for one exhibition outside of the country. Given the high demands and the overload of museum projects with China, the European scale could facilitate discussions and bring added flexibility.

Comparable considerations apply also to the cinema industry. The issue of quotas for foreign films remains a significant limit for European movies. In part, this is due to the predominance of American blockbusters and their ability to influence market access. But a solution could be found in a more cohesive European approach, which would notably foster new co-productions with Chinese partners, or support the opening of slots for European movies into China, in particular, by ‘tapping into new policy developments which could emerge in the mid-term perhaps for foreign art-houses productions’. A European mandate should also seek to cover a wider engagement with Chinese filmmakers and industry operators to promote shared interests in preventing piracy. The United States have been again, thus far, much more efficient in fostering dialogues in this field via a number of officers on the ground. Furthermore, European institutions would have an interest in a greater EU-coordinated approach to promote diversity in the Chinese cinema market, notably with regard to film distribution. This is particularly crucial given the relatively minimal cooperation between the European and the Chinese cinema industries. American studios are in many respects remaking the Chinese market to their own image, but China could benefit from Europe’s experience of very diverse forms of audiences and contents in

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98 This can go up to 40 percent upon negotiation in some specific cases.
a longer-term approach. Although most cinema goers in China are currently under 25 years old, the rapid urbanisation of the country, the fast development of new infrastructures in second and third-tier cities, as well as the sheer diversity of the country itself and its ageing population will trigger over time a greater variety of consumers, and thus, be more conducive to European interests. Much the same may be said in the publishing field, where a joint European engagement should facilitate endeavours on the enforcement and protection of authors’ rights, and in assisting the development of online electronic distribution of European works.

Second, greater cooperation between the member states will help promote a more cohesive European message. Of particular note in the visual arts, will be the EEAS’s ability to support a joint European museum effort into China focusing on European art with a view to provide, at the same time, a wider framework for intellectual and artistic exchanges. National institutions do have an interest to under-cut the logic of making all museums compete against each other in the country while developing their respective influence. Enhancing cooperation between institutions in Europe, such as the Louvre and the Guimet Museum in France, together with the British Museum and the V&A in the UK or the Alte Pinakothek in Germany, and other equivalent museums across the EU, including in modern and contemporary art, could further prove to be beneficial on a case-by-case basis, not least to provide economies of scale when organising exhibitions on Chinese art in Europe. Here again, the EU’s role should be to help to create the framework for a European scale of operating, which will help address the critical issue of funding, notably from private sources. In the cinema industry, the European Online Film Festival in China initiated in 2012, provides another interesting base for expansion, both there and indeed more widely. European member states could gain from organising similar online film festivals in other strategic countries of interests: a low cost but high profile option to promote national and European movies abroad.

Third, any European cultural diplomatic efforts with China will be significantly enhanced by a greater focus on intercultural relations. In particular, an EU-China fund with contributions from both European and Chinese sources should be set up to help address the critical issue of translation, and also to promote a closer dialogue in literature, social sciences and the humanities. The EEAS could coordinate actions jointly with the European Commission and a network of European writers and publishers, and work with China’s equivalent bodies to initiate such a fund, which could then be managed by practitioners in the publishing field, as well as a pool of authors and translators. It would clearly seek to promote translations in both directions. This could be accompanied by the creation of a European prize for translation into Chinese and a Chinese prize for translation into European languages. The Fu Lei prize, which was created by the French Cultural Institute in Beijing, could well serve as the model. One thing is certain: it is absolutely critical to support China’s increasing desire to open to the world, satisfying the pent-up demand for cultural product which this entails by promoting knowledge about Europe in China and, of course, at the same time, European knowledge about China to our strategic benefit. This casts a particular light

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99 The creation of the magazine, ‘Promesses Littéraires’, on Chinese contemporary literature directed by the translator and collection director Geneviève Imbot-Bichet in collaboration with a Chinese publishing house is an interesting initiative. Its first edition on Chinese women writers was released in France in 2014.
upon the importance of the humanities. Just as the Bibliothèque Chinoise, a Franco-Chinese bilingual collection created in 2010 which publishes classical Chinese texts ranging from history to philosophy, (which itself could advantageously be expanded to become a European-wide engagement) plays an important role helping French audiences to rediscover the roots of Chinese thought, a European Library in Chinese ('Bibliothèque Européenne') could perform a comparable role in providing a collection of translations of European humanities into Chinese.

There are also areas of historic cultural interaction which could illuminate the contemporary scene to mutual benefit. For example, a programme of exhibitions could be organised on the Jesuit’s influence in China, held with a reciprocal project in Europe on Chinese cultural influence throughout European art history. The European mandate should be to facilitate such initiatives by supporting national endeavours and co-working with Chinese cultural institutions. Last, but not least, investing in greater educational cooperation, including at university level for academic exchanges as well as promote the joint learning of European and Chinese languages will be critical to any future developments. In particular, Europeans should seek to enhance their awareness on contemporary China by a greater cooperation in analysis across European faculties and think-tanks.

Fourth, European external cultural action should directly involve and mobilise a wider range of actors within the EU, particularly by providing seed-funding for small projects to be held in Europe or in China. The EEAS cell will have a direct interest in prioritising bottom-up projects by private and public actors alike, for example the organisation of festivals on Chinese and European creativity in contemporary art or in music, fashion, or even in gastronomy. This would only require the granting of small initial funds for a number of selected projects involving additional private sector partnerships. It should also lead to the creation of new networks across European and Chinese civil society, targeting as a priority, for instance, particularly women entrepreneurs, many of whom surveys show to be more curious, and positive about European business structures than are their male equivalents. Projects could be carried out by private institutions, but the initiative should come from a European effort to focus on interactions between a range of new creative stakeholders. This should go hand in hand with supporting innovative types of cooperation such as joint ventures and investments in creating TV series or documentaries of mutual interests, or the development of Sino-European artists’ residency exchanges, notably in classical music or opera.

Fifth, promoting European expertise and addressing the gap in training and cultural management, will be of particular relevance given the growth of the Chinese cultural industries and their expectations, notably in the museum sector. It would not require any additional funding, but the creation of an organised European programme for museums and heritage institutions with a view to engage with Chinese museums. This pool of resources could directly build on national best practices across Europe, notably in the restoration of works of art, historic site preservation or curatorial management. But training and art management will also play a part in other fields, such as opera, theatre or digital products. Such an effort could form the basis for a much wider framework for engagement including business schools across China and the EU to foster the development of European expertise in cultural management as well as a better

100 The collection includes approximately twenty titles so far, notably the only translation into French of the writings from Faxian dating back to the 4th century AD, the first pilgrim to have undertaken a trip to India and analysed the Indian origins of Chinese Buddhism, or that of Chinese texts from Matteo Ricci on Christianity, first published in China in 1603.
understanding across professionals, especially professionals in the sector. In the medium-term this could be widened to encompass a regional dimension, firstly across East Asia and then across Asia more generally, through cooperation, for example, with the Asia-Europe Foundation.

This is also true in the digital field, where there is a clear need to support the industrial opportunities now opening up in China. Increased European dialogues with the Chinese in this field could prove to be a valuable tool to promote the sharing of experiences at a local, regional and country level, on issues such as digital publishing, or the digitalization of other cultural contents, notably for museums. More generally, Europeans could greatly gain from applying in China certain key developments in the digital economy where they have specific strengths. Of particular note is the online mediatheque technology, so-called ‘Culturethèque’, developed by the French Institute abroad, which features publishing contents, book translation, theatres performances, or online media, such as ‘TV 5 Monde’. It could serve as a base to constitute a single European platform where national member states and their cultural activities and media would be represented, thereby promoting Europe’s extraordinary cultural and artistic diversity also in third countries, especially in China. It would, at the same time, obviously provide an interactive tool for the millions of Europeans living outside of the EU wishing to have direct and easy access to European culture and media.

**Recommendations for Europe’s soft power more globally**

**The role of new stakeholders: private initiatives and philanthropy**

The pooling of resources across the public and the private sectors will be essential to support European cultural leadership and the diversity of its expression, given the increasing budget constraints at national level. In particular, the possibility of a European message or ‘branding’ on specific cultural projects externally will represent an important asset to attract new sources of funding, especially from business ones. The private sector’s involvement should be facilitated in at least two directions: direct funding via the sponsoring of activities and longer-term support through increased interactions with private and corporate foundations. Moreover, Europe’s cultural diplomacy should seek to include dialogues on philanthropy and corporate patronage with a range of partners, especially within China, which is now undergoing a significant reflection on the development of its own non-for-profit structures. Discussions between the Chinese and American models of philanthropy have already been held to explore the potential for joint ventures, and more specifically, ways to develop Chinese philanthropy. But European actors would, no doubt, also gain from a greater investment in this issue. Perhaps, even more so, as a number of Chinese individuals have been very keen to foster cultural interchange with Europe across a range of innovative actions over the past few years. For example, the China Art Foundation which was set up in the United Kingdom in 2008 to help promote a better understanding of Chinese contemporary art in the West and of western art and culture

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101 The Asia Europe Foundation (ASEF), the only permanently established institution of the Asia Europe Meetings (ASEM) launched a new mobility fund in March 2015 to promote exchanges between artists and cultural professionals across Asia and the EU.
in China. Or the KT Wong Foundation, which was established in 2007 also in the UK to undertake cross-cultural collaborations, especially with state-of-the-art co-productions between Chinese and European artists in opera and classical music.

Similar activities by European foundations in China, and more widely in other third countries of strategic interest for the EU, should be encouraged to create a proper synergy between public and private actors and to help provide a comprehensive base for European cultural projection. The eventual creation of a dedicated European Foundation statute, still to be agreed by the Council of Ministers, would be a valuable asset for such developments. In particular because it would enable the channelling of resources across European countries by creating a single EU legal personality for non-profit foundations with legal capacity in all the member states, and thus provide an interesting basis for the emergence of new private stakeholders in a range of areas internally and externally.

**Engaging with China and the world: A European House for Culture**

This brings us to the question of Europe’s cultural presence abroad and the extent to which European soft power could be further supported by a joint effort, notably in China. One idea which should be considered is the setting up of a European House for Culture there as a step towards a more unified and strategic European engagement. This would not be intended to replace existing cultural centres in the country but rather to complement them and offer a new space dedicated to European art and creativity. It would send a powerful message of commitment and cohesion. Many Chinese would certainly ‘welcome this initiative not least because it would show the Chinese, and more widely the world, that Europeans take the issue of culture and intercultural dialogue very seriously’. It would have other significant benefits too: the ability to engage on the ground on a wider basis and get a clearer understanding of trends and developments in the country as well as foster inter-cultural productions. It would also give a presence for member states who do not have a cultural representation in China and attract interests for funding from a range of private European businesses operating there and more widely. Discussions held for the purpose of this report with a number of private Chinese actors have shown a significant degree of interest in supporting possible co-productions projects within such a framework. Interest has also been expressed from national member states, in particular because the proposed European House for Culture would not constitute another cultural institute in the format of the existing representations of Member States, such as the Goethe or the French Institutes, or the British Council, but something far broader, focusing altogether on European creativity across all artistic fields, more than acting as a vehicle of the common European cultural heritage, important though that is. In this sense it would emulate, though obviously on a far wider canvas, initiatives like the German ‘Villa Aurora’ in Los Angeles.

Such a platform for exchanges could be based in the artistic districts either of Beijing or Shanghai, with a programme of residence for European artists coming from a number of European countries every year, for a period of three months or so. The promotion of the diversity of European culture will be further achieved by organising rotating seasons or festivals, each dedicated to either a selected country or to groups of three or four European countries, to illustrate the links which exist within Europe. For example, one option could be a focus on cross-

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artistic themes of European expression. Another could be a season on cultural themes from ‘Atlantic Europe’ (Portugal, Spain, France, Ireland, the UK) or ‘Mediterranean Europe’ or ‘Baltic Europe’ or ‘Slavonic Europe’. In this way, smaller member states could gain a greater platform, without competing directly with the individual efforts of larger member states. But it should especially aim to foster a dialogue with Chinese artists, talks on European and Chinese literature, translations and co-creations, as well as to bring Europeans closer to China’s vibrant cultural scene.

The wider implications: A blueprint for other key partners

Finally, a European House of Culture in China would also seek to cover cultural discussions with East Asia more widely. Furthermore it would be the blueprint for a much larger EU cultural presence abroad in other strategically key countries or regions, such as in the United States, or for the Mediterranean region (for example in Alexandria, Egypt) or in South America. Obviously, the promotion of European art through seasons or festivals would need to be targeted to each specific region based on the extent of the existing representations of EU member states there, so as to foster the most relevant forms of cultural exchanges. In Europe’s neighbourhood most especially, art will have a critical role in facilitating, where relevant, eventual EU enlargement, and inter-faith and more general, grass-roots dialogues. But all such endeavours should share the same focus on artistic creativity as a supreme expression of human dignity. While it will clearly require a big effort on the part of European cultural industries, both public and private, to cooperate together in an overall common EU framework in this way, the rewards would be commensurately substantial in the evident political and cultural benefits it will have for European soft power.
China and other emerging powers are showing an increasing interest in culture as a means of projecting their power externally. It is thus essential that Europeans should be fully aware of, and undertake the necessary policies to promote what is widely regarded as their primary asset: their unique, particular, perception of humanity, which is to say their culture. This is not just because a solid 92% of European citizens feel that culture and cultural exchanges should play a more important role in Europe than they do now. Or because, as we have seen, China and Europe now ‘have the opportunity to forge one of the great power relationships of the next few decades’, notably through cultural interchange: an opportunity which must be seized. Or again, because most Chinese would certainly embrace a joint European engagement on cultural exchanges, especially in literature, translation, visual arts or the digital industries to establish new dialogues across Eurasia and to create a bridge between two ancient cultures as a core component for global stability and development. Or even because, national member states are increasingly struggling to maintain their budgets for cultural actions externally and would gain from a greater cooperation in relation to China and more widely. All of this is, of course, of utmost relevance, but what makes the need for a coherent European cultural diplomacy perhaps even more acute for Europe today, is the sheer fact that, as Professor Michael Cox so clearly pointed out, ‘the old certainties, and in part the old diplomacy, that held the western alliance together no longer pertain; and the sooner Europeans recognise this, the sooner they will be able to forge a new role for themselves in a fast changing world’.

A key question is, therefore, whether European leaders will have the necessary common purpose on these issues of strategic relevance to them. By 2050, Europe will account for around 6% of the world population, and some 12% of the world economy (against a similar share for the United States, and at least 16% for China). Though, of course, power is definitely not only directed by size of population, nor even by mere economic strength. It is also about political vision and the capacity to inspire. Intellectuals such as Stefan Zweig or Paul Valéry already saw in their time the crucial importance for Europeans of thinking as a whole when faced with the new global challenges we are seeing today: ‘the inevitable fact that Europe, “that small peninsula of Asia”, has to eventually unite, not just economically but also culturally.

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103 Statement of the high-level group of European artists launched by the European Commission’s President, “The urgent need for dialogue between culture and European politics”, EurActiv, 16 February 2012.
106 On a purchasing power parity basis.
107 Stefan Zweig, “The European thought in its historical development” (conference held in Florence, 1932). See also Pope Francis in his address to the European Parliament in November 2014 stressing the need to revive a sense of leadership for Europe, notably as a repository of science, art, music and human values. http://m.vatican.va/content/francescomobile/en/speeches/2014/november/documents/papa-francesco_20141125_strasburgo-parlamento-europeo.html
It ‘would not be a luxury, but a matter of urgency’ therefore, to support European culture and its civilisation and help restore within Europe and outside a bolder and fresher attitude to Europe’s role and place in the world. Jacques Rigaud, former Honorary State Counsellor was indeed right to argue that ‘nothing would have been made possible on the economic and political front’ through the creation of the EU ‘if a cultural Europe had not pre-existed since the High Middle Ages,’ giving the people of Europe a common history, memory, heritage and shared values, and thereby, the stepping stone of what the American Jeremy Rifkin later on called the ‘European Dream’. Europe’s future depends upon making that dream real. These proposals are, I submit, a small contribution to that great goal.

APPENDIX

Figure 1. Map of China’s Proposed New Silk Roads

Source: Xinhuanet and The Wall Street Journal (compiled by the author)
### Table 1. EU’s Trade with Major Partners, China and East Asia

<table>
<thead>
<tr>
<th>Largest Trading Partners (2014)</th>
<th>Imports (billion €)</th>
<th>Exports (billion €)</th>
<th>Total Trade Growth (since 2010)</th>
<th>Percentage of Total Trade</th>
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<td>204.8</td>
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<td>17.6</td>
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<td>14.8</td>
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<td>East Asia (China, Japan, South Korea)</td>
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<td>261.1</td>
<td>14.1</td>
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<td>ASEAN</td>
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Source: Eurostat Comext (April 2015)

### Table 2. China’s Trade with Major Partners

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<th>Exports (billion €)</th>
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Source: IMF and Eurostat
CHINA-EU RELATIONS AND THE FUTURE OF EUROPEAN SOFT POWER
A STRATEGY FOR A EUROPEAN CULTURAL DIPLOMACY

KARINE LISBONNE DE VERGERON

The EU-China relationship has become a core driver of global trade and investment flows. But China’s new emphasis on Eurasia and on culture as a means of achieving global outreach and internal growth opens up new geostrategic challenges. China and other emerging powers are indeed showing an increasing interest in culture to project their power internationally. This comes at a time when budget restrictions in many Western and European nations are reducing cultural expenditure, although creative industries are critical in particular to Europe’s economic future. Europeans should therefore undertake the necessary policies to promote what is widely regarded as their primary asset: their culture, which remains their most fundamental comparative advantage in soft power globally. This Strategic Update looks at the EU-China relationship in economic, political and cultural terms. It examines Chinese perceptions of Europe as the cultural centre of the West and how these relate to their strategic vision of Asia and the US. Most importantly, it critically explores the global relevance, implications and urgency for Europe of developing a more strategic approach to the role of culture in its diplomacy and the potential benefits for the individual European member states economically and for Europe as a whole. This will show how Europeans take the issue of intercultural dialogue very seriously and will allow Europe to fully exploit the strategic opportunities of greater cultural engagement in the new multipolar world order.