

Culture in EU-US relations

SUMMARY

North America and Europe dominate the global trade in cultural goods. Together they account for 49 % of exports and 62 % of imports. However, there is a significant cultural divide between the EU and USA, which is reflected in contrasting policy approaches towards culture.

Under the 2005 Unesco Convention – not signed by the USA – the EU has a legal obligation to protect and promote the diversity of cultural expressions, a principle also enshrined in Article 167 TFEU. Culture and the audiovisual sectors are supported in the EU through its ‘Creative Europe’ framework programme, but most importantly through the EU-28’s national budgets, with cultural spending representing between 0.2 % and 1.9 % of GDP in the 2000-2005 period.

By contrast, cultural action in the USA is not centrally guided by any federal policy, and the resources made available are relatively small for a country boasting the world’s largest economy. While the EU has a (long) tradition in supporting cultural and creative industries, in the USA, culture is generally viewed as a commodity with the American film and music industries perceived as its main ambassadors.

In 2016, the EU announced a strategy for international cultural relations, seeking, among other things, to fill gaps and remove misconceptions about the EU. In July 2017, the European Parliament welcomed the initiative. Similarly, the EU Delegation in the USA, together with the recently created Euro-American Cultural Foundation, run a number of cultural initiatives to bring the best of EU culture and help advance knowledge of the EU and the value of the transatlantic partnership.

This briefing continues a series which formed part of a broader research project on perspectives on transatlantic cooperation, requested by the Chair of the European Parliament’s Delegation for relations with the United States.



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Background

Societal differences matter, not least because they are a major determinant of the diametrically opposed approaches to culture and the arts on either side of the Atlantic.

The USA champions supply-side economics, small government and free trade. A majority of Americans [dislike](#) the very idea of a welfare state, upholding instead a laissez-faire faith in market solutions, minimising government expenditure and maximising deregulation. By contrast, the [European social model](#) is a fundamental part of European Union (EU) values. Most EU countries still hold to mixed economies with large social and cultural programmes: average [public expenditure](#) in the EU amounted to nearly 47 % of GDP in 2016.

These two economic systems have created something of a cultural divide between Europeans and Americans. Even though at the core of one of the most enduring alliances of recent times lies a wide body of shared values – such as democracy, the rule of law, fundamental freedoms, and the free market – more often than not, these values result in disagreements (for instance in the case of [death penalty](#), or more recently [climate change](#)).

The persistent [misconceptions](#) and [values gaps](#) between Europeans and Americans are not just intuitive but are also reflected in findings from research. Apart from the fact that nearly half of all Americans (49 %) remain convinced of their cultural superiority, almost six in ten Americans (58 %) believe that society should remain free of state interference. Conversely, an overwhelming majority of Europeans – 67 % in Spain, 64 % in France, 62 % in Germany, and 55 % in the United Kingdom – deems state interference a high priority.

These attitudes are, in turn, closely reflected in the respective EU and US approaches to culture and the arts. In the EU, there is a (long) tradition of supporting cultural and creative industries.¹ Europeans use [public funding](#) to provide alternatives to the market for cultural expression, since there is a general understanding that freedom of speech would not amount to much without meaningful mechanisms for it to be practiced. By contrast, in the USA, culture is generally viewed as a commodity and the American [cultural model](#) relies heavily on the market as an arbiter. The American film and music industries are seen as the main ambassadors of American culture and the American way of life, and play a major role in consolidating US global dominance through [soft power](#).

Institutional arrangements and room for manoeuvre

The US approach to culture

Broadly speaking, [cultural action](#) in the USA is not centrally guided by any federal policy. At federal government level, international cultural exchange is conducted by the Under Secretary of Public Diplomacy and Public Affairs within the Department of State. The Under Secretary oversees the Bureau of Educational & Cultural Affairs, which, through its Office of Citizen Exchanges, operates a number of outbound exchange programmes, aiming to increase understanding between citizens of the USA and other countries.

The USA is one of the few countries worldwide not to have a ministry or department of culture. Instead some of the duties a culture ministry would undertake are [entrusted](#) to the National Endowment for the Arts (NEA) and the National Endowment for the Humanities (NEH). Both agencies are part of the National Foundation on the Arts and the Humanities, established to promote and support the arts and humanities throughout the USA.

The NEA provides financial grants to individuals and non-profit organisations to back up engagement in the creative and performing arts while the NEH offers grants to support academic and scholarly teaching, learning, and research. Congress is the primary source

of funding for both agencies, together with tax deductible donations, thus reflecting the belief that financial support originating from multiple sources best reflects the components of a democratic society.

Although the federal budget has continued to increase over the years, arts funding has been particularly vulnerable to cuts. By 1997, the [NEA's funding](#) was close to half its former high, and has only slowly regained some of its lost ground.

In 2016, at US\$148 million, the NEA's budget [represents](#) 0.003 % of the [total federal budget](#) (US\$3.9 trillion) or US\$ 0.45 per citizen. The same is true for the NEH, whose budget also [amounted](#) to US\$148 million in 2016. In nominal terms, the cumulative spending of both agencies slightly exceeds what a small country like [Slovenia](#) spent on culture in 2007.

But even if these amounts barely register on the federal government's bottom line, as [demonstrated](#) by the *New York Times*, the [2018 Budget Blueprint](#) 'to Make America Great Again', proposes scrapping altogether the budget endowments to the NEA, the NEH, the Corporation for Public Broadcasting, and the Institute of Museum and Library Services, among others, thus provoking a raft of criticism from cultural organisations.

Indeed, the above points to the fact that the resources made available for culture and the arts in the USA are relatively small for a country boasting the world's largest economy. One reason for this seemingly [resides](#) in the general perception that the US entertainment industry already plays a strong role in relaying American culture, through the power and dominance of Hollywood in particular.

This probably also accounts for the fact that the US government has no equivalent to the cultural institutes of some EU countries or the international network of national cultural centres of some other countries. However, the Bureau of International Information Programmes in the Department of State supports 715 '[American Spaces](#)' – physical platforms aiming to engage with people and allowing them to learn about American culture, society and foreign policy. There are 159 such spaces in Europe.

Cultural diversity and the EU's competence in the field of culture

Cultural diversity – enshrined in [Article 167](#) of the Treaty on the Functioning of the EU (TFEU) – is at the core of the EU project, and arguably among its greatest assets. It is built

American vs European dream

The American dream – that anyone can succeed through hard work and opportunity – has been in decline in recent years, with fewer and fewer Americans still believing in it. A team of economists recently [quantified](#) this feeling, revealing that in 1940, a child born into the average American household had a 92 % chance of making more money than his or her parents. The figure dropped to 50 % for children born in 1980.

By contrast, the European dream seems to have started crystallising and offers an appealing alternative to the American dream. According to [Jeremy Rifkin](#), it promotes a new set of cosmopolitan, secular values, more focused on sustainable development, quality of life and multilateralism and less concerned with the exercise of power, which ultimately makes it 'one far better suited for the next stage in the human journey'.

This dream is increasingly reflected in European culture, especially as younger generations begin to consider Europeanisation as a core element of their identities. The latest [EP Eurobarometer poll](#) (April 2017) on what Europeans think about the EU, shows that EU membership is now viewed as a good thing for one's own country by 57 % of the sampled population.

Moreover, confronted by external events, such as growing instability in the Muslim world, the increasing power and influence of Russia and China, the Trump presidency and Brexit, significant majorities across the EU – between 63 % and 73 % – believe that the joint action of Member States contributes to better taking into account their country's interests. Most importantly, 74 % of Europeans believe that what brings them together is more important than what separates them.

on the ambition to create unity and common purpose, in full respect of the diversity of the cultures and identities that compose it. However, this makes it challenging to project a common image of Europe to external audiences, not least because the EU's role in the cultural realm is formally limited to supporting, coordinating or supplementing the policies of its Member States (Articles [2\(5\)](#) and [6\(c\)](#) TFEU).

The EU supports culture and the audiovisual sectors through its framework programme, 'Creative Europe', which has a budget of €1.46 billion for the 2014-2020 period. The commitment appropriations for 2017 [stand](#) at €201 million (0.13 % of the [EU budget](#)) or €0.39 per citizen. Still, arguably there is substantial added value even at this level of funding, since nearly all the cross-cultural exchange and circulation of art within the EU is paid for by the EU budget.

Obviously, the biggest part in terms of funding for culture comes from the EU-28's national budgets and [represented](#) between 0.2 % and 1.9 % of GDP for the 2000-2005 period. Compared to the US federal endowments for culture and the arts, the national budgets across the EU seem impressive (see Table 1).

Table 1 – Spending on culture in selected EU countries, data for more recent available year

EU country	Total budget, € million	Per capita, €	Year
Denmark	2 200	400	2009
Sweden	2 600	277	2011
Austria	2 000	238	2011
Finland	945	178	2009
Spain	7 000	149	2009
France	9 000	138	2016
Italy	7 000	119	2008
Germany	9 000	110	2009
Czech Republic	1 100	105	2010
Poland	1 960	52	2011
United States	265 *	0.82	2016

Source: [Council of Europe](#), Cultural policies and trends in Europe, 2011, own calculation.

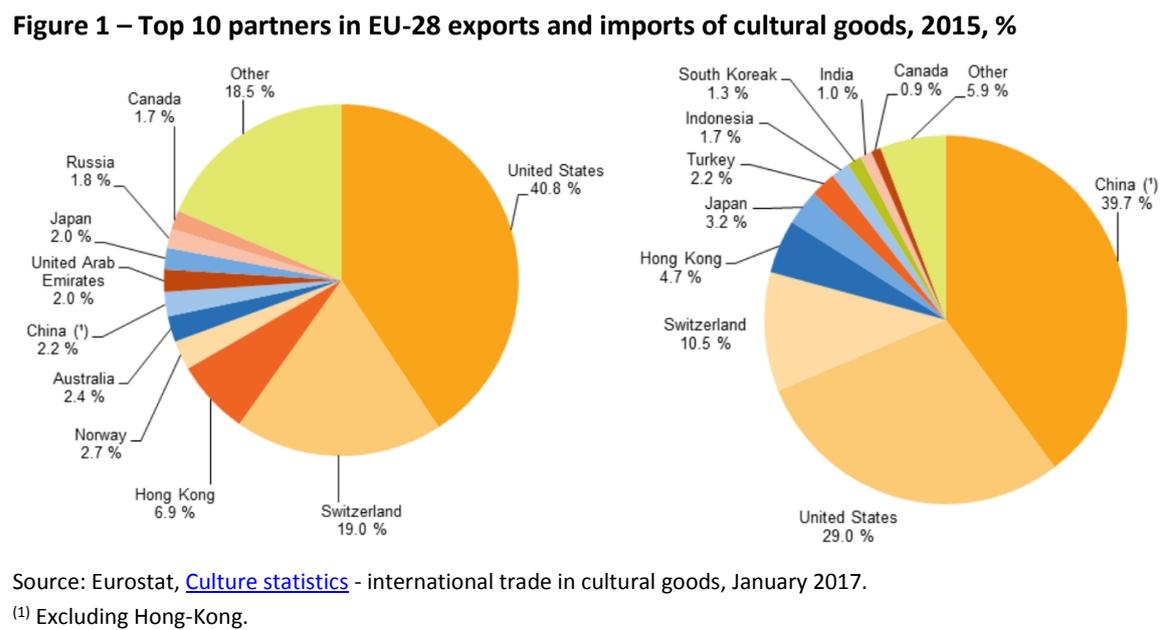
Notes: *Cumulative endowments of [NEA](#) and [NEH](#) for 2016. Amount converted on 20 June 2017, 1 US\$ = €0.896644

Development of EU-US trade in cultural goods

Overview

North America and Europe [dominate](#) the global trade in cultural goods. Together they account for 49 % of exports and 62 % of imports.

'Cultural goods' – [defined](#) by the EU's statistical office, Eurostat, as products of 'artistic creativity that convey artistic, symbolic and aesthetic values' – are a group of heterogeneous products which do not penetrate markets and are not consumed by households in the same way as other more common products. Examples include antiques, works of art, books, newspapers, photos, films, music, CDs, DVDs, musical instruments, video games and consoles, as well as media enabling access to cultural content.



The USA is the leading export market for cultural products outside the EU, and in 2015 accounted for almost 41 % of cultural goods exports – mostly in the ‘works of art’ category (see Figure 1). Between 2008 and 2015, it registered a near 14 % rise. The situation is slightly different for imported cultural goods. In 2015, the USA was outdistanced only by China. Its share of imports – also falling essentially within the ‘works of art’ category – increased from 22 % in 2008 to 29 % in 2015.

EU-US judicial cooperation to fight illegal trade in cultural goods

[Trafficking in cultural goods](#) can take different forms, ranging from theft from cultural heritage institutions or private collections, through looting of archaeological sites to the displacement of artefacts due to war.

Apart from dispossessing the countries of origin of their cultural heritage, illicit import, export and transfer of ownership of cultural property is sometimes linked to organised crime, money laundering and even terrorism. International cooperation constitutes one of the most efficient means of protecting each country's cultural property.

The EU cooperates closely with the USA to strengthen the regulatory environment. Currently, the European Commission uses the EU-US [Terrorism Financing Tracking Programme](#) (TFTP), which helps in detecting movements of funds through financial transactions. However, the Commission will explore the need for a complementary EU system, for example to cover intra-EU payments which are not captured by the TFTP. The Commission is [expected](#) to present a legislative proposal against illicit trade in cultural goods before summer 2017.

Cultural and creative industries on both sides of the Atlantic

Cultural and creative industries (CCIs) [provide](#) income to nearly 30 million people world-wide and generate total revenues of US\$2.250 billion. Research [shows](#) that, in general, CCIs have demonstrated strong resilience to the global economic and financial crisis. Both the EU and USA are major global players.

Europe is the second-largest CCI market behind the Asia-Pacific region, [accounting](#) for over €630 billion of revenues (nearly a third of the global total) and 7.7 million jobs (representing 26 % of all CCI jobs). The European CCI thrive on a rare concentration of heritage, arts institutions and rich history. Thirty of [Unesco's ‘Creative Cities’](#) are situated in Europe, in addition to seven of the 10 most visited museums in the world, which helped Europe attract 52 % of international tourists in 2013.

North America follows closely with revenues of US\$620 billion (some €550 or 28 % of global revenues) and 4.7 million jobs (16 % of total jobs). The North American market boasts the largest number of consumers of digital cultural content (47 % of digital distribution and revenues, ahead of Asia (25 %) and Europe (24 %)). The continent is also a global leader in the entertainment industries: it is the largest market for TV (US\$182 billion), film (US\$28 billion) and radio (US\$21 billion).

Digital media markets and taxation: issues of concern

It has been reported that big digital players rearrange their company structure through series of highly complex tax arrangements – also known as ‘[tax rulings](#)’ – notably by establishing their headquarters in EU countries offering favourable conditions with regard to corporate taxes, to enjoy competitive advantage over companies that operate mostly out of, or in, one market. In 2013, the US Senate's Permanent Subcommittee on Investigations unveiled a [memorandum](#) according to which between 2009 and 2012, Apple avoided paying tax in the USA on over US\$100 billion profits, by setting up subsidiaries in Ireland. Apple also used a structure known as a ‘[double Irish](#)’ which allows royalty payments for the use of intellectual property to be sent to a company that operates in Ireland, but has its headquarters in a tax haven. Amazon and its Luxembourg-based company have been under similar [investigation](#) by tax authorities in the United Kingdom, France and Germany. The European Parliament shed light on Member States' practices through its [special committee](#) on [Tax rulings](#).

Similarly, with a near monopoly on the British e-book market, [estimated](#) at 95 %, where the VAT rate on print and e-books is (for now) zero and 20 % respectively, Amazon is [reputed](#) to wield considerable power over British publishers. In 2012, it was reported that Amazon constrained British publishers to cover the cost of a 20 % VAT charge on e-book sales, even though it forwarded only 3 % to the tax authorities based on the fact that its European headquarters were located in Luxembourg.

That being said, US dominance in the entertainment and audiovisual sector poses some specific concerns which will be examined in the following sections.

Culture in the Transatlantic Trade and Investment Partnership (TTIP)

Traditionally, in international trade negotiations, the EU has always pursued the possibility for all Member States to define and implement their cultural and audiovisual policies, in order to preserve their cultural diversity (see box below). This was the case during the negotiations on the General Agreement on Trade in Services ([GATS](#)), and more recently during the Transatlantic Trade and Investment Partnership ([TTIP](#)) negotiations, initiated in 2013.

Above all, the USA has a strong interest in gaining access to markets for audiovisual services. The EU, however, believes that due to their cultural component, such services should be treated distinctly. Therefore, in both multilateral and bilateral trade negotiations, the EU generally excludes the audiovisual sector from any commitments it makes to open its markets to foreign competition. Only two of the EU's economic partnership agreements – those with [South Korea](#) and the [Cariforum states](#) (a group of Caribbean countries) – allow non-EU companies to be treated on an equal footing only in very narrow circumstances. The result is that the EU and its Member States are legally free to discriminate against foreign providers of audiovisual services. A good case in point is the quota system for European audiovisual works (see following section).

Reacting to growing concern among [professionals](#), and reflecting on the European Parliament position expressed in a 2013 [resolution](#), the European Commission [asserted](#) that audiovisual services, as well as other instruments such as 'public subsidies, financing obligations for broadcasters, taxes on film tickets, co-production agreements, linguistic

policy measures, the functioning of channels invested with a public service remit, [and] the existence of stockholding caps in channels and networks', would be [excluded](#) from the negotiating [mandate](#). However, the mandate does cover various [copyright](#) issues of importance to EU artists.

The [position paper](#) from March 2015 revealed that the EU would seek to address three main concerns: remuneration rights for broadcasting and communication to the public (i.e. public performance) for performers and producers in phonograms (i.e. recordings); a full right of communication to the public for authors in bars, restaurants and shops; and a resale right for creators of original works of art (see box).

Indeed, the USA does not require radio stations to pay royalties to performers when their performances are played on air; only the composers receive royalties. On the other hand, in the USA composers do not receive royalties when their songs are played in bars or restaurants. The same applies for payments to visual artists on the resale of their works, with respect to the US 'first sale doctrine'.

The EU already grants protection in all three areas, and it would therefore be important to obtain reciprocal treatment in the USA to that currently available in the EU for US rights-holders. For its part, the European Parliament's Legal Affairs Committee considered in its [opinion](#) that intellectual property rights should not be dealt with in the framework of TTIP.

Talks on a trade deal stalled after President Trump came into office in January 2017, pursuing a more protectionist US trade policy. In May 2017, Commerce Secretary Wilbur Ross [declared](#) that the USA is open to resuming talks. However, the EU has been cautious over American overtures on the trade deal, with EU Trade Commissioner, Cecilia Malmström, arguing that the EU needs time 'to evaluate and reflect'.

Resale right

The resale right or *droit de suite*, concedes to authors of graphic works (e.g. paintings and sculptures) a share in the resale of their works at public auctions and in galleries. Unlike authors of literary or musical works, visual artists can only exploit the traditional economic rights of reproduction and public communication.

Often, especially at the beginning of their career, such works are sold at very low prices. The resale right therefore aims to partly offset the loss from an eventual increase of the works' value.

By contrast, the **first-sale doctrine** in use in the USA creates an exception to the rights-holder's distribution right. Once the work is lawfully sold or transferred, the copyright owner's interest in the material object in which the copyrighted work is embodied is exhausted and the rights become the property of the new owner of the work.

The concept of 'cultural exception'

The idea behind the concept of a 'cultural exception' resides in the assumption that cultural goods and services are not ordinary commodities and should be left out of international agreements. In practice, this may translate into protectionist measures, including the regulated diffusion of non-EU artistic work through quotas or state aid.

Under the 2005 [Unesco](#) Convention – to which the USA is [not party](#) – the EU has a legal obligation to protect and promote the diversity of cultural expression, a principle also enshrined in [Article 167 TFEU](#). In addition, EU Member States have a veto in areas related to culture and the audio-visual sector if an agreement threatens cultural and linguistic diversity ([Article 207\(4\)\(a\) TFEU](#)).

The EU also wishes that the preamble to a Transatlantic Trade and Investment Partnership underline that the EU's partnership with the USA is based on values consistent with the principles and objectives of the EU's foreign policy, namely, highlighting the right of the parties to support measures for promoting cultural diversity as laid down in the Unesco Convention.

EU vs US film industry: some issues and concerns

The European film landscape is characterised by the strong presence of major Hollywood companies, such as Walt Disney, 20th Century Fox, Paramount and Warner Bros. Strikingly, despite US-based companies having [produced](#) only 789 feature films in 2016 – compared to 1 740 European productions in the same period – they account for almost 68 % of the EU market, while European companies hold only 27 %. What makes these majors so powerful is the fact that they are vertically integrated, with activities spanning production and distribution, thus controlling the most important components of the global audiovisual industry.

Seven of the top 10 global media groups have a film-making subsidiary: these are the five US majors, Japan's Sony Pictures, and the recently created Dutch Altice studios, (see Table 2).

Experts [argue](#) that with control over distribution, US companies can commit significant resources to production and marketing (namely through the star system, and the use of film sequels), build audience awareness, reduce and/or spread risks over several films, and reinvest profits in new projects. By contrast, the lack of large, vertically integrated European groups, able to compete with the US majors, is [perceived](#) as a weakness. In establishing this type of dominance, US companies seem to have raised significant entry barriers for their EU counterparts whose [share](#) of the US market was just under 2.5 % in 2010.

There are various [reasons](#) which account for the weaker market shares of the European film industry in the USA. To begin with, the EU film market is strongly fragmented due to multiple languages, cultures and traditions. The film industry is composed of hundreds of small and medium-sized enterprises which are economically viable only at the national level.

What is more, the national markets for most

Table 2 – Top 10 media groups worldwide (€ billions, 2015)

	Company	Country	Film subsidiary	Annual revenue
1	Alphabet Inc.	USA	-	67 588
2	Comcast	USA	NBC Universal	67 156
3	Walt Disney Company	USA	Walt Disney Studios	47 287
4	News Corp. 21 st Century Fox	USA	20 th Century Fox	33 907
5	AT&T Entertainment / Direct TV	USA	-	31 811
6	Time Warner Inc.	USA	Warner Bros. New Line Cinema	25 343
7	Viacom Inc./ CBS Corp.	USA	Paramount Pictures	24 474
8	Sony Entertainment	Japan	Sony Pictures	22 917
9	Apple Inc.	USA	-	17 944
10	Altice Group	Netherlands	Altice Studios	17 495

Data source: Institute of media and communications policy, [Media data base](#), 2015.

Federal tax incentives for the film industry

With the new US administration in place, it seems unlikely that the government will extend [IRC Section 181](#), the federal tax incentive designed to keep US productions within national borders through allowing filmmaking to be 100 % tax deductible.

Amidst increasing [claims](#) (rejected by the producers' associations) that state-level public incentives do not generate sufficient return on investment, the number of such [incentives](#) has decreased from 43 earlier this decade to 35 in 2016, with several states, such as [Florida](#), [Wisconsin](#) and [Michigan](#) shutting down their schemes in recent years.

The removal of Section 181 does not modify the offer of financial incentives at the state level. One of the most popular in the US is the 30 % tax credit offered in [Georgia](#).

However, it seems likely that without Section 181, US producers will seek a better deal elsewhere, including in the EU.

European films are too small to make big-budget productions worthwhile. While the average EU production budget ranges from some €11 million in the United Kingdom, €5 million in Germany and France to €300 000 in Hungary and Estonia, the average budget for US-produced films amounts to €12 million, and exceeds €85 million for films produced by majors and their affiliates. Due to their lower budgets, some European films remain profitable even with a relatively small number of admissions. However, research [shows](#) that the great majority of European productions do not recoup their costs, which makes it difficult for EU companies to remain in the industry and grow.

The dual cultural and economic characteristics of the film industry, and the reality of a strong US presence in the EU film market account for a sizeable amount of public support, in which public funds² co-exist with tax incentives in a complex support framework aimed at improving the competitiveness of European cinema. Thus, between 2010 and 2014, the European film and audiovisual industry [received](#) a yearly average of €2.5 billion.

In 2011, the Commission launched a [reflection](#) on public support to the film industry without questioning its purpose. In the process, it appeared that some EU countries use state aid to attract investment from large-scale (mainly US) film-production companies. This 'subsidy race' typically includes tax incentives to draw these productions to a country's locations, and to obtain, in return, the employment of local film companies, cast, crew, etc. Even though supporting non-EU productions could have indirect economic benefits – namely improving EU film services – the profits related to such productions do not necessarily enhance the long-term development of the industry, and distort competition. Moreover, supporting films produced by US majors appears to contradict the very rationale of EU state aid policy, since big studios do not face their EU counterparts' problems regarding access to private financing.

The impact of subscription video on demand on European film production

Subscription Video-on-Demand (SVOD) services – such as the US-based [Netflix and Amazon](#) – sell access to a catalogue of films, television (TV) content and documentaries against a monthly subscription fee. These services compete with traditional pay-TV services for subscribers and revenue, and with both commercial and public TV for viewing time. Indeed, global SVOD revenues are set to more than [double](#) from US\$14.6 billion in 2016 to US\$34.6 billion in 2021. In light of this, SVOD services are expected to become a major element of the audiovisual market worldwide in the coming years and thus to play a major role in the promotion, production and circulation of European works.

[Analysis](#) on the origin of films in SVOD catalogues across the EU shows that, on average, European films hold a 19 % share, while US films represent 67 %. It is difficult to foresee how consumer tastes and choices will evolve in the future. However, as long as EU audiences remain interested in European content, such content will be part of SVOD catalogues. It is interesting to note that since 2012, Netflix has [spent](#) US\$1.75 billion on licensed, co-produced and original European content, and has set up some 90 original productions – both individually and with local partners – such as the BBC, Channel 4 and Canal Plus, thus opening a new substantial financing source for programming in the EU. European productions include original content such as *'Marseille'* in France, *'The Crown'* in the United Kingdom and *'Dark'* in Germany.

In 2016, the Commission [presented](#) a proposal to update [EU audiovisual rules](#) aiming, among other things, to better align the regulatory burden between traditional TV broadcasts and on-demand services. In specific terms, one of the provisions seeks to impose a European quota requirement on on-demand service providers, such that at least 20 % of their catalogue offer must give prominence to European film works. In addition, EU countries would be allowed to impose financial contributions on providers of on-demand services established in other EU countries (but only on the turnover generated in the imposing country).

The European Parliament and Council both proposed to raise the quota to 30 %, however the [legislative procedure](#) is still ongoing. Netflix has pushed back [against the quota](#), even though the company argues it already carries more than the 20 % share of European works.

Cultural diplomacy: the way forward

It is not always easy for Americans to understand the EU — its highly complex procedures, the amount of time it takes for decisions to be made and the various institutions of which it is comprised. Experts [argue](#) that for a majority of Americans the EU is a synonym for diminishing defence budgets, unwillingness to use military force, and inability to speak with one voice. It represents a Tower of Babel sheltering different identities, languages, cultures, foreign policies, and economies.

In this context, the European External Action Service (EEAS) can arguably play an essential role, in an attempt to bring perceptions and/or misconceptions more closely in line with reality. Through its 139 EU Delegations (embassies) around the world, it seems particularly well placed to get across the right messages and necessary clarification to foreign audiences.

The same can be said about the [EU's national institutes for culture](#) (EUNICs). This unique network brings together organisations from all 28 EU countries and adds value through its global network of clusters. EUNICs are the EU's cultural ambassadors promoting cultural diversity and cultural dialogue, and advocating a stronger role for culture in public policies and in external relations. The members of the network carry out collaborative [projects](#) connecting culture and society and can have a significant impact in enhancing mutual understanding. EUNICs currently have three clusters in the USA. The two largest are in New York and Washington DC, with a smaller one in Chicago.

Following a European Parliament 2011 [resolution](#) on the cultural dimensions of the EU's external actions, calling for the development of a common EU strategy on culture in EU external relations, the European Commission entrusted a consortium of cultural institutes and organisations – led by the Goethe Institute – to carry out a preparatory action in 2013–2014. The results and recommendations for a strategic approach to culture in the EU's external relations were presented in a final [report](#) (see box).

Improving the EU's cultural standing in the USA: opportunities, needs and obstacles

A [consultation](#) process involving a wide variety of stakeholders on both sides of the Atlantic led to a number of ideas as to how the EU could facilitate cultural cooperation with the USA.

On the one hand, suggestions concern information needs, including advice to promising young artists and cultural organisations; guidance on operating in different cultural environments; and practical information on visas, finance and taxation. On the other hand, financial assistance is required, particularly through providing match funding/seed money directly to cultural organisations, and making available funds to cover the project-planning process and impact assessment.

The visa application process is the most frequently cited obstacle to closer transatlantic cooperation, both for artists visiting EU countries (France and the United Kingdom have been identified in particular) and in relation to the approval of visa applications for artists going to the USA. With the cost of the US visa process amounting to some US\$2 000 per applicant, and lasting between six and nine months, it frequently causes frustration. The other major obstacle concerns raising sufficient funds for international projects. Indeed, fund-raising is very time-consuming, and fewer US foundations give priority to international cultural initiatives, since they are considered not financially viable.

Some criticism was expressed by EUNIC members regarding the EU Delegation's cultural initiatives in Washington DC, arguing that they mainly revolved around branding, lacked strategy and did not bring added value. It was also suggested that the EU was primarily interested in marketing, whereas EUNIC members were more focused on cooperation with artists and civil society.

In 2016, the European Commission and the EU High Representative for Foreign Affairs and Security Policy presented an EU [strategy](#) in international cultural relations, seeking, among other things, to fill in the gaps and remove misconceptions about the EU. The proposed approach notably includes the creation of a [Cultural Diplomacy Platform](#), enhanced cooperation between the EU and [national institutes for culture](#), a strengthened role for the 139 EU delegations and offices around the world, creation of European Culture Houses (engaging in joint projects and offering scholarships, cultural and educational exchanges), support for joint European cultural activities (a new two-year [scheme](#) with a budget of €1.5 million for the setting up of EU film festivals will be launched in 2017), and increased focus on strategic partners such as the [Euro-American Cultural Foundation](#), established in 2013 to provide more structured funding to EU cultural programmes in the USA.³

Reacting positively to the initiative, the [European Parliament](#) called in July 2017 on the Commission and the High Representative to set up annual and multiannual action plans, with actions, strategic thematic and geographical priorities and common objectives, and a periodic review of implementation.

Main EU-US joint cultural programmes and initiatives

The [EU Delegation in the USA](#) runs a number of cultural initiatives, through specific programmes or budget lines. During the celebrations marking the [EU's 50th birthday](#), there were over 50 events in 19 American states over a period of 14 days. In Washington DC alone, 38 000 people attended events at European embassies that explained European cultural diversity to the American public. Each year in May, the **European Month of Culture** [brings](#) the best of European culture to Washington DC, allowing EU countries to present to the US public their diverse cultures through classical music recitals, traditional and contemporary music performances, visual arts exhibitions, film and lectures. The initiative is supported by a number of prominent Washington-based institutions – the Kennedy Center for the Performing Arts, the National Gallery of Art, the Katzen Arts Center at the American University and the Phillips Collection.

The EU month of culture includes the annual flagship **EU Open House** [event](#) with the 28 EU Member States' embassies and the EU Delegation to the USA opening their doors to the public to give visitors a rare opportunity to look inside the embassies and get acquainted with the national cultural traditions of the 28 EU countries. As one of Washington's most popular annual events, the EU Open House typically welcomes some [100 000 visits](#) in just one day. In addition, 2017 marks [three important anniversaries](#): the 60th Anniversary of the Treaty of Rome, the 70th anniversary of the Marshall Plan, and the 65th anniversary of EU-US diplomatic relations.

The **Kids Euro Festival** is a month-long series of free performances, entertainment, film and workshops in libraries, schools, hospitals, cultural institutes and cultural venues in Washington DC and neighbouring counties. The [initiative](#) has been made possible through local partnerships, as well as support and sponsorship from foundations, individuals and business.

Thanks to the EU Delegation and Member State support, the [American Film Institute](#) **EU Film Showcase** is entering its 30th year. This annual event offers the best of European cinema to the US public. The selection includes international film festival award winners, European box-office hits, debut works by promising new talents, and Oscar® submissions for best foreign language film. Yet another [programme](#) – **Getting to Know Europe** – makes competitive grants to US-based NGOs and non-profit bodies for a broad range of activities, including cultural projects, that help advance knowledge of the EU and its role and the value of the transatlantic partnership (the [project](#) – 'Transit: Creative Placemaking with Europe in Baltimore', administered by EUNIC, is an illustration).

In line with the [New Transatlantic Agenda](#), in 1998, the European Commission launched a network of [EU Centres in American universities](#), providing information and education about the EU. Ten **EU Centres of Excellence** [exist](#) currently across the USA. More than €3.3 million was allocated by the EU to support 10 such centres between 2008 and 2011.

Through its **Policy Research and Debate** [programme](#), the EU provided some €2 million in 2011-2012 to US think-tanks and public policy research centres for conferences and scholarly research aiming to encourage reflection and discussion on EU-US relations.

EU Rendez-Vous is a new [series](#) featuring senior European and US leaders discussing a range of major issues from foreign policy and the global economy to culture and human rights. Opportunity for debate of a different kind is provided by the discussion series [Iconoclash](#), in which leading and emerging practitioners offer their views 'to support an informed dialogue for international cooperation and peacebuilding with the aim to break the perpetual cycle of terror and trauma'.

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Endnotes

¹ Based on a Unesco [definition](#), the cultural and creative industries (CCI) encompass a wide range of activities including music, motion picture, TV and radio, books, newspapers, architecture, visual and performing arts, and gaming.

² However, experts [warn](#) that over-reliance on public funding can have adverse effects known as the 'production support paradox'. The producer can be tempted to ignore the market and audience since the subsidy guarantees future production.

³ The foundation has been established as a charitable US body to take over responsibility for financing existing EU Delegation cultural activities and developing new educational, cultural and scientific programmes. It aims to provide a more permanent framework for funding current and future projects and to increase awareness and the profile of Europe's linguistic and cultural diversity.

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