

Diplomacy of the European Union: The Impact of Cultural Diversity on External Trade Strategies

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Abstract: This study examined how cultural diversity shaped the European Union's external trade strategies between 2007 and 2025. It analyzed official EU policy frameworks, trade agreements, and reports in which cultural and creative dimensions intersected with trade provisions. Using qualitative document analysis, the research identified patterns through which culture functioned as an operational rather than symbolic factor in trade diplomacy. Findings showed that cultural cooperation strengthened negotiation environments, fostered mutual trust, and supported regulatory convergence with partners such as Japan, Mercosur, and African states. Cultural diversity operated as both a resource and a mediator—enhancing soft power, promoting institutional coherence, and improving the legitimacy of the EU's market actions abroad. The study concluded that integrating cultural diplomacy into trade frameworks enabled the EU to combine normative influence with economic pragmatism. This approach positioned cultural diversity as a strategic driver of global competitiveness and a cornerstone of an adaptive, inclusive European trade identity.

Keywords: European Union, Cultural Diplomacy, Soft Power, Trade Policy, External Relations, Cultural Diversity, Economic Diplomacy, International Cooperation

1. Introduction

The European Union (EU) has expanded its role as both an economic and diplomatic actor in global affairs. Through trade policy, it has deepened internal market integration and developed an extensive external regime with over 40 trade agreements worldwide (European Commission, 2024a). Since the Treaty of Lisbon (2009), the European External Action Service (EEAS) has coordinated external relations, marking a shift toward a unified diplomatic posture. Culture has also become central to EU external action. The Joint Communication “*Towards an EU Strategy for International Cultural Relations*” recognized culture, dialogue, and creative industries as integral to diplomacy (European Commission & EEAS, 2016). The *Work Plan for Culture 2023–2026* further identifies “co-creative partnerships” as a priority for external cooperation (Council of the European Union, 2022). Together, these policies show that cultural diversity is now a strategic component of the EU's global agenda (EEAS, 2023).

Studying how cultural diversity shapes trade diplomacy is relevant both theoretically and practically. It advances understanding of the EU's role as a global actor and highlights how cultural cooperation supports legitimacy and adaptability in external markets. Despite this evolution, most literature on EU trade diplomacy overlooks culture as a factor shaping strategy. Research has focused on governance and human rights rather than the economic implications of cultural diplomacy (Manners, 2002; Diez, 2013). Trade studies, conversely, treat culture as background context rather than a diplomatic tool.

This study addresses that gap by analyzing how cultural diversity influences EU external trade strategies through policy frameworks and agreements that link creative sectors to trade.

The research applies qualitative document analysis of major policy instruments and case studies. The paper includes the conceptual framework and literature review, methodology, findings, policy implications, and conclusion. The relationship among cultural diversity, diplomatic mechanisms, and trade outcomes within EU external action is illustrated in Figure 1.

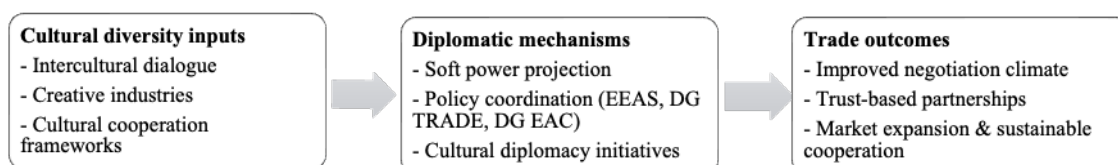


Figure 1. Conceptual model illustrating the relationship between cultural diversity, diplomatic strategy, and external trade outcomes in the European Union

Source: Author's elaboration based on ideas adapted from Nye (2004), European Commission and European External Action Service (2016), and Manners (2002)

2. Conceptual framework and literature review

This section establishes the theoretical foundation for understanding how cultural diversity operates as a practical mechanism shaping the European Union's external trade behavior. It draws on three complementary perspectives: cultural diplomacy, soft power, and intercultural trade strategies.

2.1. Cultural diplomacy and soft power

Cultural diplomacy involves exchange and creative cooperation to foster understanding and advance foreign policy goals. Nye (2004) defined soft power as the ability to achieve desired outcomes through attraction rather than coercion. Within this framework, culture becomes a source of legitimacy and trust. Bound, Briggs, Holden, and Jones (2007) noted that effective cultural diplomacy integrates political, social, and economic dimensions, making it essential to contemporary international relations.

Within the European Union, soft power principles have shaped external policy since the early 2000s, notably through the European Neighborhood Policy and the creation of the European External Action Service. The *Joint Communication on International Cultural Relations* (European Commission & EEAS, 2016) formally identified culture as a strategic pillar of foreign policy, illustrating how cultural exchange strengthens negotiation environments and long-term partnerships (EEAS, 2023).

2.2. "Normative Power Europe" and cultural integration

Manners (2002) conceptualized the European Union as a *Normative Power*—an actor promoting democracy, human rights, and sustainable development through diplomacy and trade. Later scholarship (Diez, 2013; Whitman, 2011) linked this framework to the diffusion of the EU's cultural and economic model. Culture thus operates as a vehicle for norms that reinforce the EU's global identity and legitimacy in trade relations. More recent analyses connect *Normative Power Europe* with cultural governance and creative cooperation, emphasizing the symbolic role of shared heritage and cultural industries

(Lisack, 2021). However, these accounts tend to remain descriptive, focusing on identity-building rather than measurable effects on trade and diplomatic negotiation.

2.3. Culture as an operational variable in trade relations

Traditional approaches treat cultural diversity as symbolic—relevant for image and reputation but detached from concrete trade outcomes. This study reframes culture as an operational variable influencing negotiation dynamics, trust formation, and regulatory alignment. Integrating cultural diversity into trade design enhances the EU's adaptability and credibility in global markets (European Commission, 2024a; UNESCO, 2021). As illustrated in Figure 1, cultural diplomacy and trade policy operate as interdependent components of a single external-action framework: cultural diversity informs diplomatic mechanisms, which in turn produce tangible trade outcomes.

3. Methodology

This study uses a qualitative document analysis to examine how cultural diversity shapes the European Union's external trade strategies. It reviews official EU communications, trade agreements, and policy reports, integrating cultural or creative elements into diplomacy and trade.

3.1. Research design and data sources

A qualitative approach enables interpretation of institutional language and policy intent. Quantitative trade data were secondary, as the focus lies on how culture informs strategic narratives. This method aligns with prior research on cultural diplomacy emphasizing discourse and institutional framing (Lisack, 2021). Primary materials include the *Joint Communication on International Cultural Relations* (European Commission & EEAS, 2016), the *Work Plan for Culture 2023–2026* (Council of the European Union, 2022), and trade agreements such as the *EU–Japan EPA*, *EU–Mercosur*, and *EU–Africa* frameworks. Supporting documents from the EEAS (2023), the European Commission (2024), and UNESCO (2021) ensured coverage across both policy and implementation levels. All materials were publicly available through institutional databases, ensuring transparency and replicability.

3.2. Analytical procedure and reliability

Following inductive qualitative content analysis, documents were coded under three categories derived from the conceptual model:

1. *Cultural diversity inputs* (values, creative sectors, cooperation tools),
2. *Diplomatic mechanisms* (soft power, institutional coordination), and
3. *Trade outcomes* (trust, partnerships, sustainability).

Findings were cross-checked across document types and years (2007–2025). Triangulation between EU, academic, and international sources enhanced validity and minimized interpretive bias (Yin, 2018). The goal was analytical depth and policy relevance rather than statistical generalization.

4. Findings and discussions

This section applies the conceptual model (Figure 1) to recent developments in EU external relations, showing how cultural diversity operates within diplomatic processes

and influences trade outcomes. The analysis draws on EU policy frameworks, trade agreements, and scholarly evaluations between 2007 and 2025.

4.1. Integration of cultural diversity in trade diplomacy

Since the *Joint Communication on International Cultural Relations* (European Commission & EEAS, 2016), the EU has gradually embedded culture and creativity in its trade agenda. Frameworks such as *Global Gateway* (European Commission, 2024a) and the *New European Agenda for Culture* (European Commission, 2018) identify culture as a tool for sustainable growth and cooperation. Cultural and creative industries, representing about 4.5 percent of EU GDP (European Commission, 2024b), are increasingly linked to trade instruments and programs such as *Creative Europe* (Council of the European Union, 2022).

These initiatives reflect Nye's (2004) notion of soft power, turning cultural attractiveness into diplomatic leverage. As Pouliot and Cornut (2021) note, shared cultural reference points create neutral platforms that build trust and improve negotiation climates.

4.2. Cultural diplomacy as strategic soft power

The EEAS now treats culture as a strategic resource rather than a symbolic one. Through its *Delegations Network*, cultural projects enhance political and commercial cooperation (EEAS, 2023). The *EU Strategy for Cooperation in the Indo-Pacific* promotes intercultural partnerships that indirectly support creative-services trade (European Commission & EEAS, 2021).

Scholars emphasize this strategic dimension: Melissen (2020) argues that cultural diplomacy "humanizes economic negotiation," while Cross (2022) links cultural recognition to market credibility. The *EU—Japan Economic Partnership Agreement* exemplifies this logic by including cooperation on creative sectors and innovation as drivers of competitiveness (European Commission, 2023).

4.3. Comparative case insights

EU—Japan EPA. Shared values of innovation and craftsmanship supported convergence in digital and IP sectors (Leal-Arcas, 2020). Both sides tied creative collaboration to green and digital transitions, opening new SME markets.

EU—Mercosur Agreement. Here, tensions arise between liberalization and cultural protection. Mercosur states defend cultural sovereignty, while the EU promotes openness framed by shared values (Calleja, 2022). Despite limited clauses, cultural cooperation maintained dialogue during stalled talks (Schunz, 2021).

EU—Africa Partnership. Culture functions as a development tool through *ACP—EU Culture* and the *Africa—Europe Creative Industries Facility*, which links artistic innovation with entrepreneurship (UNESCO, 2021; European Investment Bank, 2024). This co-creation model aligns trade with the Sustainable Development Goals and enhances legitimacy (Ndzendze & Monyae, 2021).

4.4. Cross-case patterns

Three consistent dynamics emerge:

1. Culture as trust capital: Cultural engagement fosters empathy and predictability in trade relations (Melissen, 2020; Cross, 2022).

2. Institutional coordination: Synergy among DG TRADE, DG EAC, and EEAS increases policy coherence (EEAS, 2023).
3. Market legitimacy: Agreements referencing culture gain stronger partner acceptance (Council of the European Union, 2022).

Overall, cultural diversity functions as an operational instrument of EU trade diplomacy. It shapes perceptions of fairness, stabilizes partnerships, and strengthens the EU's global identity as both a normative and pragmatic actor.

5. Case studies

The cases of EU—Japan, EU—Mercosur, and EU—Africa illustrate how cultural diversity functions as an operational tool in trade diplomacy.

EU—Japan Economic Partnership Agreement (EPA). The *EPA* integrates culture into trade alignment and “recognizes the importance of cultural exchanges and cooperation in the fields of audiovisual and creative industries” (European Commission, 2023). This approach links creative collaboration with innovation and regulatory trust, demonstrating how culture strengthens negotiation environments.

EU—Mercosur Association Agreement. In *EU—Mercosur* talks, cultural cooperation offsets tension between liberalization and cultural protectionism. The EEAS notes that “the EU's engagement with Mercosur partners relies on shared values and mutual respect for cultural diversity” (EEAS, 2023). These provisions help sustain dialogue even amid political and economic disagreements.

EU—Africa Partnership Strategy. The *Global Gateway Africa—Europe Investment Package* defines culture as “a key enabler for inclusive and sustainable economic growth” (European Commission, 2024a). Programs such as *ACP—EU Culture* foster co-creation and strengthen local creative industries, reinforcing the legitimacy of EU trade diplomacy in Africa.

6. Policy insights

Cultural diplomacy enhances the EU's ability to implement credible, adaptable trade strategies, especially in the Global South and Indo-Pacific.

1. Integrate creative-economy cooperation in future trade agreements to ensure equitable innovation and participation.
2. Strengthen coordination between DG TRADE and DG EAC to align economic goals with cultural diplomacy initiatives.
3. Establish cultural-impact indicators to measure how creative collaboration supports economic outcomes.

As the European Parliament emphasizes, “culture must be mainstreamed across external actions, including trade and cooperation instruments” (European Parliament, 2023). These measures would reinforce the EU's image as a fair and inclusive trade actor.

7. Conclusion

Cultural diversity has moved from a symbolic notion of soft diplomacy to a strategic dimension of the European Union's trade policy. The analysis showed that culture functions as an operational tool in shaping the EU's external trade strategies by influencing negotiation dynamics, enhancing trust, and strengthening the Union's global legitimacy. Through policies such as the *Joint Communication on International Cultural Relations* and the *Work Plan for Culture 2023—2026*, the EU has institutionalized culture as part of its external action framework. This evolution aligns with Nye's (2004, p. xiii)

insight that “soft power rests on the ability to shape the preferences of others.” By linking cultural cooperation to trade, the EU converts attraction into diplomatic leverage—an approach that combines normative influence with economic pragmatism.

The case studies confirm that cultural cooperation supports trade convergence where shared values exist, sustains dialogue when negotiations stall, and strengthens development partnerships through co-creation. These findings illustrate that culture contributes not only to mutual understanding but also to measurable outcomes such as partner trust, regulatory alignment, and small-enterprise integration into global markets.

Looking ahead, embedding cultural diplomacy more systematically into EU trade policy could enhance resilience in regions where geopolitical competition or historical asymmetries hinder cooperation. Better coordination between DG TRADE, DG EAC, and the EEAS, alongside tools to evaluate the economic effects of cultural exchange, would increase policy coherence and accountability.

In the long term, positioning cultural diversity as a core element of external trade strategy may help the EU project a distinctive form of economic diplomacy—one that promotes openness and sustainability while reflecting Europe’s plural identity. By embracing cultural cooperation as a source of credibility and trust, the EU can strengthen its role as a diplomatic and economic power capable of shaping a more balanced and culturally inclusive global trade order.

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